

# **Better integration of land use and transport at a regional level: Scoping of regional guidelines**

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# **Better integration of land use and transport at a regional level: Scoping of regional guidelines**

Paula Hunter, Sylvia Allan, Viv Heslop, Peter Winefield and  
Terry McDavitt

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© 2008, NZ Transport Agency  
Private Bag 6995, Wellington 6141, New Zealand  
Telephone 64 4 894 5400; facsimile 64 4 894 6100  
Email: [research@nzta.govt.nz](mailto:research@nzta.govt.nz)  
Website: [www.nzta.govt.nz](http://www.nzta.govt.nz)

Hunter, P.,<sup>1</sup> Allan, S.,<sup>1</sup> Heslop, V.,<sup>2</sup> Winefield, P.,<sup>3</sup> and McDavitt, T.<sup>4</sup> 2008. Better integration of land use and transport at a regional level: Scoping of regional guidelines. *NZ Transport Agency Research Report 354*. 104pp.

<sup>1</sup> MWH New Zealand Limited, PO Box 13-052, Christchurch

<sup>2</sup> Vivacity Consulting Limited, PO Box 41083, Auckland

<sup>3</sup> Participate, 2/45 Marellen Drive, Auckland

<sup>4</sup> Pathway Consultancy, PO Box 9394, Wellington

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### **Additional note**

The NZ Transport Agency (NZTA) was formally established on 1 August 2008, combining the functions and expertise of Land Transport NZ and Transit NZ.

The new organisation will provide an integrated approach to transport planning, funding and delivery.

This research report was prepared prior to the establishment of the NZTA and may refer to Land Transport NZ and Transit NZ.

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## Abbreviations and acronyms

ARTA	Auckland Regional Transport Authority
IAP	Integrated approach to planning
ITA	Integrated transport assessments
LGA 2002	Local Government Act 2002
LGAAA	Local Government (Auckland) Amendment Act 2004
LGS	Local growth strategies
LTA	Land Transport Act 1998
LTCCP	Long-term council community plan
LTMA	Land Transport Management Act 2003
LTMAA	Land Transport Management Amendment Act 2004
MOU	Memorandum of understanding
NLTP	National Land Transport Programme
NZTA	New Zealand Transport Agency (formerly Land Transport NZ)
RGS	Regional growth strategies
RLTC	Regional land transport committee
RLTP	Regional land transport programme
RLTS	Regional land transport strategy
RMA	Resource Management Act 1991
RPS	Regional policy statements

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## Executive summary

'Business as usual' is not delivering integrated land use and transport solutions or outcomes, so practitioners need to be given tools to help them shift policy and practice. This report presents recommendations to Land Transport NZ on components of a toolbox to assist regions in integrating land use and transport along with a process for constructing regionally specific toolboxes.

The amended Land Transport Management Act 2003 (LTMA, as amended) signals that central government wants to encourage better land use and transport integration and is giving regional councils more responsibility to ensure this happens. This, however, is not the only legislative driver for integration. The Resource Management Act 1991 (RMA) and the Local Government Act 2002 (LGA 2002) also provide opportunities to better integrate land use and transport; unfortunately these opportunities have frequently failed to be recognised and effectively implemented.

In addition to the acknowledgement that the new legislation would pose some challenges for regions, the project team also considered there were two other key issues that needed addressing. The first was that a 'business as usual' approach was not going to deliver the necessary changes in practice required to better integrate land use and transport. The project team felt that it was necessary to develop a better understanding of the processes of change required so that a complete and integrated package of tools could be developed to assist in the transition to new ways of doing things.

The second issue was that political risk needed to be more explicitly examined in the context of land use and transport integration. The project team considered that this issue was not addressed in any detail by the Integrated Approach to Planning (IAP) project to date.

To address these issues two key pieces of work were commissioned. The first developed a framework to help understand the various shifts that would be required to move from 'business as usual'. This work was subsequently used to help prioritise the tools and make sure they addressed all the shifts in practice. The focus of the second report was on the analysis of political risk as it relates to integrating land use and transport, and how to mitigate this risk in order to ensure implementation. A model for managing risk is developed in this report. These two reports have been integral to the approach taken in scoping the toolbox.

Initially this project focused on scoping a set of regional guidelines to facilitate integration. As the project progressed the project team recognised that an important consideration in determining how to integrate land use and transport was the unique nature of the various regions in New Zealand and as such considered that a toolbox approach would better reflect the diversity of regions and that a 'one size fits all' guideline would not be appropriate. The toolbox would need to be able to respond to the regional context and provide locally relevant tools, mechanisms and approaches that are appropriate and applicable.

The IAP project aimed to better understand the range of issues associated with integrating land use and transport and as a result identified six actions areas that needed to be

addressed to shift practice: legislation; policy (non-legislative); institutional frameworks; funding; planning practice (implementation); and capacity and capability. The tools for the toolbox were scoped using these action areas as a framework.

The approach taken by the project team was to scope a wide range of possible tools, discuss them with a steering group, then use the feedback from the steering group to refine the tools and develop recommendations to Land Transport NZ on next steps. The steering group input was an invaluable component of this work, and provided the project team with a range of perspectives that have strengthened the toolbox and provided some clear direction on priorities and recommendations to Land Transport NZ.

This research, including steering group input, has led to the following recommendations:

1. Prior to further development of a tool box it will be necessary to:
  - a. articulate the principles of land use and transport integration and clearly identify the issues that integration will address. This information then needs to be made regionally specific in recognition of each region having its own unique issues
  - b. develop guidance on the LTMA, as amended, in particular around implementation changes
  - c. develop guidance on how the three key pieces of legislation (RMA, LGA 2002 and the Land Transport Management Act 2003 (LTMA)) work together to better integrate land use and transport.
2. The development of the toolbox, includes:
  - a. developing a range of tools, including:
    - i training for practitioners and politicians
    - ii case studies of best practice collaborative strategy development and implementation
    - iii guidance on collaborative processes
    - iv model partnership agreements
    - v establishment of a central enabling team to work with regions to align policies, plans and practice
    - vi funding incentives to support integration of land use and transport
    - vii guidance on political risk assessment and management
    - viii guidance on building integrated teams
    - ix development of a shared understanding of land use transport integration
    - x a mentoring programme
    - xi secondment programmes

- b. working with each region (primarily regional councils and territorial authorities) to:
  - i. discuss specific issues in order to identify the context for land use transport integration
  - ii. talk about the range of tools available
  - iii. prioritise a toolbox specific to each region.

## **Abstract**

The integration of land use and transport is considered to be a key priority in delivering a sustainable transport system, yet its implementation remains problematic. The Integrated Approach to Planning (IAP) project has identified both the barriers to implementation and a range of approaches that seek to achieve better integration of land use and transport. This report contributes to the IAP project by scoping the contents of a toolbox specifically designed to assist regions to better integrate land use and transport and by recommending to Land Transport NZ the content for the toolbox and how it should be developed.

A toolbox approach recognises that New Zealand's regions vary greatly in size, complexity and the issues that they have to deal with, and as such 'one size does not fit all'. The approach to scoping the toolbox was to research a range of tools across the spectrum of six key action areas developed by the IAP project: legislation; policy (non-legislative); institutional frameworks; funding; planning practice (implementation); and capacity and capability. These tools were discussed with members of a steering group who provided a breadth of knowledge and experience from across New Zealand, and assisted in the refinement of the tools and prioritisation of the elements of a regional toolbox that form the recommendations in this report. The research for the report was carried out between October 2007 and May 2008 as part of Land Transport NZ's 2007/2008 Research Programme.



## 1. Introduction

### 1.1 Purpose of this report

The purpose of this report is to scope content for a toolbox to assist regions to better facilitate and promote the integration of land use and transport, and to provide Land Transport New Zealand with recommendations on the development of the toolbox. The toolbox presents a range of mechanisms, tools, approaches and measures that could be developed to support the achievement of successful, integrated land use and transport outcomes throughout regions.

### 1.2 Background

MWH New Zealand Limited (MWH) has been engaged by Land Transport NZ to investigate how, at a regional level, land use and transport could be better integrated with an emphasis on scoping a set of guidelines to facilitate integration.

This project builds on the work done to date as part of the Integrated Approach to Planning (IAP) project. This previous work clearly acknowledges that the delivery of integrated approaches is problematic (Ward et al 2007) and that there are a number of barriers to better integration of land use and transport. These barriers, as identified by Ward et al (2007), include the allocation of planning functions across a range of different organisations, limited linkages between the plans developed under the various mandates, lack of common goals and objectives to guide planning and funding outcomes, and funding and assessment procedures that do not necessarily support land use and transport integration. Overcoming these barriers means a shift from business as usual. The IAP project suggests that to do this, there needs to be a focus on professional and organisational changes (Ward et al 2007), and that the development of a suite of mechanisms, tools, approaches and measures would be needed to improve practice in the area of land use transport integration (Allan 2007).

At the outset of the project, the aim was to scope an 'integrated package' of mechanisms, tools and approaches that would form the basis of a set of guidelines designed to assist the key players in the regions, primarily regional councils and territorial authorities, in better integrating land use and transport when carrying out their functions under various relevant statutes<sup>1</sup>. The design of the guidelines needs to ensure not only the planning for integrated land use and transport, but the delivery of successful integrated outcomes, physically on the ground within regions.

As the project has progressed the focus has shifted from scoping a set of guidelines to scoping a range of tools to be included in a toolbox to help regions better integrate land use and transport. The reason behind this change from guidelines to tools is that New Zealand's regions vary greatly in size, complexity and the issues with which they have to deal, and as such 'one size does not fit all'. In some regions, the area of interest is sub-regional, in others

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<sup>1</sup> Resource Management Act 1991, Land Transport Management Act 2003, Local Government Act 2002

it is region wide. In some regions land use and transport integration is more about promoting desired but future changes, while in other regions it is more about managing real recent and rapid changes. In some regions numerous desired transport works are estimated to cost billions of dollars and in other regions works may only cost a few million dollars. Cutting across these are basic rural-provincial-metropolitan differences that can critically affect decision making. The toolbox appropriate for Gisborne or Northland will be quite different in character from that appropriate for Auckland or Wellington.

Therefore, identifying a range of tools that can be mixed and matched to fit a range of circumstances will provide greater flexibility and is thus expected to be more useful for regions than a set of guidelines.

Scoping tools rather than guidelines is consistent with the project proposal and with the objective for the project which is:

*To provide a scope and framework for effective, integrated land use and transport systems planning and implementation at a regional level.*

The starting point for this project has been the recommended actions as they relate to regional issues set out in the IAP phase one report (Allan 2007). The recommended actions are summarised in the conclusion of that report and are listed under the following six headings:

- Legislation
- Policy (non legislative)
- Institutional frameworks
- Funding
- Planning practice (implementation)
- Capacity and capability

The above headings have provided the framework for the research and the tools identified for future development have been scoped under these headings.

The project team<sup>2</sup> has relied extensively on all the other reports produced as part of the IAP project and the IAP workshop held in Wellington on 8 November 2007. Additional literature reviews and assessments of best practice have also been undertaken as part of the process to identify tools to achieve the better integration of transport and planning at a regional level. An outcome from this analysis was that the project team identified information gaps in two key areas – managing political risk and capacity building to implement integration. To plug these gaps the following two reports were prepared by project team members: Viv Heslop's *Better integration of land use and transport at a regional level: Developing a framework to understand and implement integration* (see Appendix A) and Terry McDavitt's *Better*

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<sup>2</sup> Paula Hunter, Sylvia Allan (MWH), Viv Heslop (Vivacity Consulting Ltd), Peter Winefield (Participate), Terry McDavitt (Pathway Consultancy)

*integration of land use and transport at a regional level: Managing political risk* (see Appendix B).

These two reports have provided valuable input for this report and have helped to identify potential tools to be further developed.

Once the project team had prepared a draft report that included a full range of possible tools for the toolbox, the steering group<sup>3</sup> was invited to comment on the tools and their prioritisation. The steering group was also asked to give guidance on the key recommendations that would assist Land Transport NZ in determining the next steps for the project. The input of the steering group was invaluable and provided the project team with some strong signals and areas for improvement, as well as new tools and recommendations. The feedback from the steering group has been reflected primarily in Section 4: Scoping the toolbox, and Section 5: Constructing the toolbox.

As a consequence of undertaking this project, the project team has also identified areas for improvement; best practice approaches; and other mechanisms that could generally promote or facilitate the better integration of land use and transport in a wider, or in some cases narrower, context than at a regional level. To ensure that these approaches and mechanisms are captured we have included discussion of them in this report, but as they are not applicable in a regional context or fall outside the functions of regional councils they have not been scoped for inclusion in a toolbox.

### **1.3 Structure of the report**

The report is structured as follows:

- Section 1 (this section) outlines the purpose of the research project and the approach followed and adopted by the project team.
- Section 2 sets out recommendations and actions from previous research that have underpinned this project and provided a checklist for the identification of tools, mechanisms and approaches to be included in the regional toolbox.
- Section 3 summarises the key findings from the Heslop and McDavitt reports (see Appendices A and B).
- Section 4 introduces and discusses under the six headings introduced in section 2 the scope of potential tool mechanisms and approaches.
- Section 5 discusses how the toolbox might be constructed.
- Section 6 presents the report's conclusions and recommendations.

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<sup>3</sup> Chris Freke – Group Manager Transportation, Manukau City Council; Clare Crickett – Deputy CEO, Group Manager Policy and Strategy, Environment Waikato; David Lee – Planning Policy Advisor, Transit New Zealand; Dean McLaren – Urban Advisor, Ministry for the Environment; Denis Mander – Transport Manager, Queenstown Lakes District Council; Joel Cayford – Councillor, Auckland Regional Council; Laurie McCallum – Energy and Built Environment Policy Manager, Environment Canterbury; Maree McNeilly – Strategic Transport Planning Manager, Auckland Regional Transport Authority; Michelle Lewis – Principal Policy Advisor, Land Transport New Zealand; Phillip Eyles – Policy Analyst, Local Government New Zealand; Steve Markham – Policy Manager Planning and Environment, Tasman District Council.

## **2. Actions and recommendations from previous research**

As set out in Section 1, the starting point for this project has been the recommended actions as they relate to regional issues set out in the IAP phase one report (Allan 2007). In addition, the recommendations that relate to regional matters contained in 'Integrating land use and transport planning' (Ward et al 2007) – referred to below as the 'Ward Wilson report', and the IAP Workshop report (CityScope Consultants 2007) have also provided a framework and a context for this project.

The actions and recommendations contained in the above reports have provided the project team with a check list for identifying and scoping potential tools for the regional toolbox. They have also assisted us in identifying information gaps, and this has led to our work on managing political risk and capacity building to implement integration.

The actions and recommendations that this project has sought to progress through the identification of tools, mechanisms and approaches to better integrate land use and transportation at a regional level are set out as follows under the six headings identified in the IAP phase one report. These headings are numbers 2.1 to 2.6 below.

### **2.1 Legislation**

#### **2.1.1 IAP phase one report**

- Consider legislative change to enable regions to manage/control land development.
- Identify and encourage best-practice under existing legislation.
- Consider means of securing long-term funding and resources through agency agreements, embedded in regional land transport programmes (RLTPs) and long-term council community plans (LTCCPs).

#### **2.1.2 Ward Wilson report**

- Make regional planning a statutory requirement.
- Encourage the integration of strategic and spatial planning across the four statutes: the Resource Management Act 1991 (RMA), Local Government Act 2002 (LGA 2002), Land Transport Act 1998 (LTA), and the Land Transport Management Act 2003 (LTMA) through amending relevant statutes to require formal linkages between policy instruments.

#### **2.1.3 IAP Workshop report**

- Legislate for regions to manage land development.
- Identify and encourage best practice under existing legislation.
- Embed long-term resource and funding agreements in RLTPs and LTCCPs.



## **2.2 Policy (non legislative)**

### **2.2.1 IAP phase one report**

- Develop consensus and clarity on a desired vision and outcomes for integrated transport and land use planning.
- Identify and analyse options (statutory and non statutory or both) to promote national regional direction/framework for integrating transport and land use planning, funding and implementation – and to drive integration across the LGA 2002, RMA and LTMA, regardless of the particular circumstances of an area.
- Develop guidance on best-practice policy in a range of practical circumstances at a regional level.

### **2.2.2 Ward Wilson report**

- Encourage the integration of strategic and spatial planning across the four statutes (RMA, LGA 2002, LTA, LTMA) through requiring the demonstration of land use and transport planning integration in regional land transport strategy (RLTS) preparation.

### **2.2.3 IAP Workshop report**

- Develop consensus vision for integrated transport and land use planning.
- Develop guidance on best-practice policy.

## **2.3 Institutional frameworks**

### **2.3.1 IAP phase one report**

- Consider the merits of establishing regional development strategies.
- Strengthen regional government practice in framework transport/land use planning through best practice advice.

### **2.3.2 Ward Wilson report**

- Encourage the integration of strategic and spatial planning across the four statutes (RMA, LGA 2002, LTA, LTMA) through assigning responsibility to a single agency for monitoring the implementation of regional councils' function to ensure the strategic integration of land use and infrastructure.

### **2.3.3 IAP Workshop report**

- Consider the merits of establishing regional development strategies.
- Strengthen regional government through best practice advice.

## **2.4 Funding**

### **2.4.1 IAP phase one report**

- Central and regional government should support the use of financial and development contributions as a means of local community investment in transport systems at the time of development, eg in a policy statement and/or through best practice guidelines.

### **2.4.2 Ward Wilson report**

- Amend the Land Transport NZ assessment framework to include an integration 'test' or incentives such as accelerated processing or additional funding for integrated packages.
- Encourage the integration of strategic and spatial planning across the four statutes (RMA, LGA 2002, LTA, LTMA) through requiring demonstration of land use and transport planning integration in transport funding procedures.

### **2.4.3 IAP Workshop report**

- Review funding mechanisms to identify barriers to integration and examine incentives to an integrated approach.
- Support use of financial and development contributions for local investment in transport systems at the time of development.

## **2.5 Planning practice (implementation)**

### **2.5.1 IAP phase one report**

- Review practice to identify effective indicators of good planning (eg integration targets) and monitoring methods which could contribute to a toolbox of performance measures.
- Investigate the use of incentives during the implementation phase.
- Consider effective quality control mechanisms for the RLTS.
- Identify means of reviewing/auditing implementation.

### **2.5.2 Ward Wilson report**

- Introduce effective content auditing of the RLTS and LTP.
- Provide for more effective public participation, including direct resourcing of public participation where appropriate.

### **2.5.3 IAP Workshop report**

- Review practice to identify effective indicators of good planning (eg integration targets) and monitoring methods which could contribute to a toolbox of performance measures.
- Investigate use of incentives to promote integration during the implementation phase.
- Consider effective quality control mechanisms for the RLTS.
- Investigate the role of public agencies to better attract private investment.
- Identify means of reviewing/auditing implementation.

## **2.6 Capacity and capability**

### **2.6.1 IAP phase one report**

- Develop a framework to raise the profile of the benefits of integrated planning.
- Develop methods to increase skill levels throughout the country, at the work floor and management level.
- Develop best-practice guidelines with an integrated, multidisciplinary approach.

### **2.6.2 Ward Wilson report**

- Encourage commitment to and identify best practices for strong collaboration between organisations to ensure policy integration.
- Identify internal organisational arrangements that achieve enhanced collaboration across disciplines to embed interdisciplinary practices by professionals.
- Strengthen organisations internally through the adoption of coherent and consistent policies and commitment of sufficient resources to achieve strategic and operational integration.
- Build capacity through professional development programmes that review how different disciplinary cultures operate; promote new ways of working together and build relevant skills.
- Encourage tertiary educators to incorporate opportunities to facilitate interdisciplinary activity in professionally accredited programmes (eg engineering and planning).

### **2.6.3 IAP Workshop report**

- Develop a framework to profile the benefits of integrated planning.
- Develop methods to increase skill levels at the work floor and management level.
- Develop best-practice guidelines with an integrated, multidisciplinary approach.

### **3. Frameworks that have informed the research**

One of the key initiatives in the local government arena at the time of preparing this report was the Land Transport Management Amendment Bill 2007, now passed into legislation as the amended Land Transport Management Act 2003. A key aspect of the Act is the increased significance of the regional land transport committees and the regionalisation of transportation decision-making. This is a useful opportunity to achieve better transport outcomes across a region and potentially better integration with land use management.

However, it also presents local government, and in particular regional councils, with some significant new challenges. It will challenge regional councils both politically and managerially and some thought needs to be given to exactly what those challenges will be and what options might be available in a toolbox to assist the effective regionalisation of transportation management.

An important point to understand is that for the majority of territorial councils, transportation is the largest single activity and there will be some concern about what this greater role for regional councils might mean. This concern has been moderated by the provision in the Act that territorial councils will remain in control of maintenance and minor capital works prioritisation but the intrinsic tension between local and regional government remains.

In addition to the acknowledgement that the new legislation will pose some challenges for regions, the project team also felt there were two other key issues that needed addressing. The first was that a 'business as usual' approach was not going to deliver the necessary changes in practice required to better integrate land use and transport. The project team felt it was necessary to develop a better understanding of the processes of change required so that a complete and integrated package of tools could be developed to assist in the transition to new ways of doing things. The second issue was that political risk needed to be more explicitly examined in the context of land use transport integration. The project team felt that this issue was not addressed in any detail in the IAP project to date. To address these issues two key pieces of work were commissioned. The first was a report by Viv Heslop (see Appendix A) which focused on developing a framework to help understand the various shifts that would be required to move from 'business as usual'. It compared business as usual with the work done to date for the IAP project, identified some gaps in this regard and proposed a framework to ensure that the development of a toolbox would advance the integration of land use and transport. The second was a report by Terry McDavitt (see Appendix B) focusing on the analysis of political risk as it related to integrating land use and transport, and how to mitigate this risk in order to ensure implementation. A model for managing risk is developed in this report. These two reports have been integral to the approach taken in scoping the toolbox. A summary of each report is presented below.

### 3.1 The framework to understand and implement integration

Better integration of land use and transport will mean changing the ways things are currently done as it is clear that business as usual is not delivering the outcomes on the ground. Rather than considering the six action areas of legislation, policy, institutional frameworks, funding, planning practice, and capacity and capability individually it is useful to have a framework through which to understand how the six action areas can collectively support integration of land use and transport, and how together they can guide the process of change.

The purpose of the report by Viv Heslop (see Appendix A) was to inform the project team of what integration might entail, recognising that the main barriers to integration were institutional in nature. In this context 'institutional' incorporates organisational forms, skills and knowledge, processes, and policy and legislative frameworks. The first task was to analyse the extent to which the recommendations from the IAP project addressed all aspects of the institutional context. This analysis suggested that the focus of many recommendations were on structural aspects such as institutional arrangements, legislative changes and other such tangible aspects and actions. The areas of weakness were in the processes to support the development of a shared understanding on what land use transport integration meant, and also the skills and knowledge that practitioners would need to make the transition to better land use transport integration.

Heslop's report highlights that a more holistic approach needs to be taken to the development of tools that can support better integration of land use and transport, and to that end proposes a framework to assist in the development of recommendations to ensure the toolbox focuses on all aspects of the transition in a holistic and integrated way.

The framework consists of four spheres:

- **An integrative imagination.** This refers to the skills and knowledge required for those who have a role to play in integrating land use and transport. An integrative imagination encompasses ideas of integration, collaboration, creativity, relationship building and management, and learning focus – all key capacities that need to be built to support integrated practice. The development, implementation and support of individuals with an integrative imagination requires supportive and responsive organisational processes, along with the commitment to provide the necessary resources to achieve this.
- **Distributed intelligence.** This refers to the processes within organisations that support an integrated approach to land use and transport, from policy through to on-the-ground implementation of specific projects. Distributed intelligence encompasses the need for the breaking down of 'silos' between departments, between professions and between hierarchies within an organisation. The idea of distributed intelligence suggests that the integration task is one that requires people to determine ways in which they can work together to a common and agreed outcome.

- **Collaborative capacity.** This refers to the processes that support organisations working together to support an integrated approach to land use and transport, from policy through to on-the-ground implementation of specific projects. Collaborative capacity encompasses the need for organisations to work together more effectively towards a common and agreed outcome. The development, implementation and support of collaborative capacity requires an enabling environment.
- **Enabling environment.** There are two aspects of an enabling environment. The first is the policy and legal changes required to guide the integration of land use and transport. While these are outside the scope of this report, some areas that could be strengthened are highlighted. The second part of an enabling environment is the structural aspects that will support the skills, knowledge and processes that are essential for the other three spheres of the capacity building framework. In this context, the requirement is to ensure that the capacities that need to be built for individuals and organisations are supported by enabling factors such as resourcing and time, and are recognised in contractual arrangements such as employment contracts, project plans etc.

Each sphere is linked as is shown illustratively in Figure 3.1.

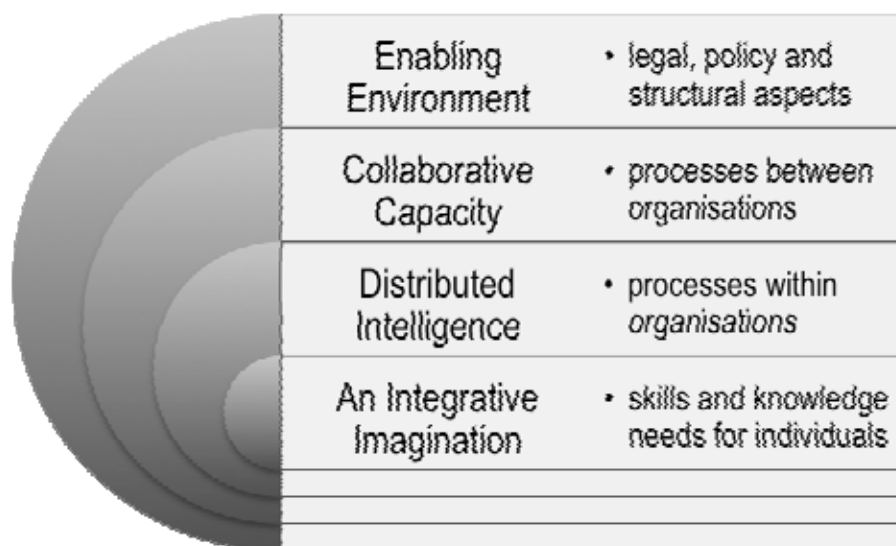


Figure 3.1 The components of change for integrating land use and transport.

### 3.2 Managing political risk

The long timeframes associated with the implementation of strategies to integrate planning for land use and transport mean there is a high likelihood of changes in elected personnel, favoured policies and perceived priorities, as well as the likelihood of media and public scrutiny. Political risk is the likelihood that political change will alter or degrade an intended agenda before or during its implementation. It can arise from a general, specific or temporary unacceptability to either involved politicians or involved public.

The numbers of papers that have been prepared as part of the IAP project have highlighted the political and professional tensions between regional and local levels of government but

have paid less attention to similar tensions between local/regional and national levels of government. There is a need to analyse the nature of political risk in the context of integrating land use and transport in order to develop strategies to manage that risk.

A model has been developed that proposes a systematic approach to identifying and managing political risk. The model draws on risk management practices from the insurance sector to inform the management of risk associated with land use and transport integration in the public sector. The model comprises three parts:

1. Risk profiling for integrating land use and transport. This includes identifying the nature of political risk and the context for political risk, and proposes a risk profile for land use and transport integration. This is presented in Figure 3.2.
2. Risk assessment. This provides an assessment of the risks with land use and transport integration. These are presented below in Figure 3.3.
3. Risk management. This proposes a range of ways to manage the risk that can then be fed into the scoping of tools. These are presented below in Figure 3.4.

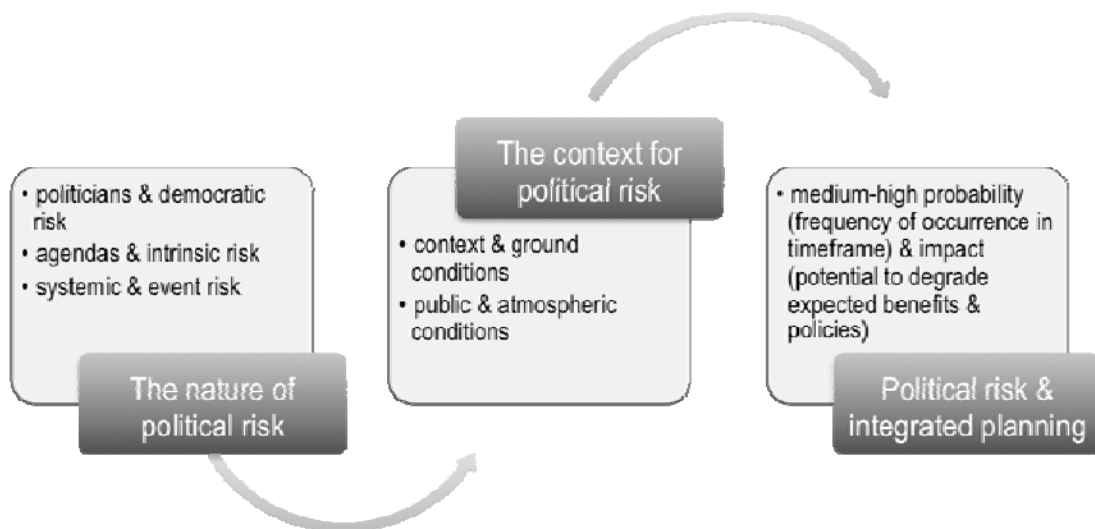


Figure 3.2 The risk profile for land use and transport integration.



Figure 3.3 An assessment of the political risks of integrating land use and transport.

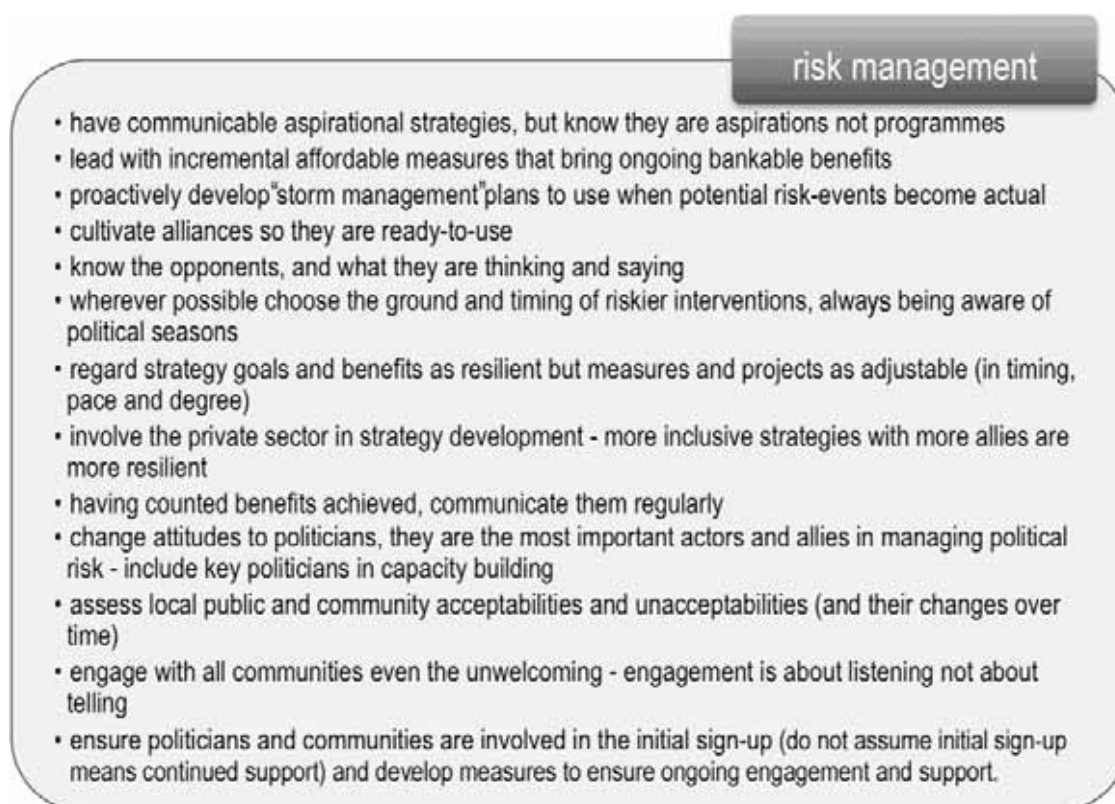


Figure 3.4 Identification of risk management options.



In summary, there is a need to manage potential and actual political risks proactively to assist implementation of initiatives. Political risk for land use and transport integration can be successfully managed so risk becomes opportunity and changes are helpful not adverse. Alternatively, potential political risk can become a major threat with the extreme consequence of destroying both consensus and strategy. Anticipation of and response to political risk is a critical issue that needs to be considered and tools for political risk analysis and political risk monitoring should be included in scoping the toolbox.

### **3.3 Strategies**

There is considerable use of the term 'strategy' and it is important to understand the context in which it is developed. There are a number of different strategies prepared under the RMA, LGA 2002 and LTMA, for example, the RLTS, regional growth strategies (RGS), local growth strategies (LGS) and regional policy statements (RPS). There are also a number of programmes, such as the RLTP and the LTCCP, prepared under the various pieces of legislation. It is useful at this stage to stress that strategies have goals, processes and measures but not necessarily timetables or budgets, while a programme has timetables and budgets but not necessarily its own separate goals. The other issue to note is that some of the strategies are statutory, ie the RLTS, while others are non-statutory, ie a RGS.

It is important to understand the range of strategies and programmes to support better integration of land use and transport and to ensure each takes account of all the others. The need for this becomes critical given that the amended Land Transport Management Act (LTMA, as amended), introduces a regional level of decision making around main national and regional routes. What has been missing from the IAP discussion to date is a clear description of exactly what instruments are being talked about and how all the strategies and programmes might be better integrated.

## **4. Scoping the toolbox**

As discussed in the introduction to this report, the approach has been to develop a toolbox that incorporates a range of tools, mechanisms, approaches and measures that can be utilised by regional councils to implement land use transport integration. The toolbox embraces the need for an integrated package to assist regions to better integrate land use and transport, with a particular focus on ensuring effective implementation. In light of this integrated focus, the tools have been scoped using the six action areas from the IAP phase one report (Allan 2007), ie legislation, policy, institutional frameworks, funding, implementation, and capacity and capability. This approach has been adopted as it is considered that it will provide a holistic view of the necessary elements to ensure integration and implementation. It is important to stress that no one tool is likely to achieve the outcomes being sought in integrating land use and transport. Regions will need to be able to draw on a range of tools to help them progress land use and transport integration. The approach taken by each region will differ, depending on their local context and issues; therefore, the tools need to be able to respond to and address these contextual issues.

The structure for this section is based around the six action areas, with an analysis of the findings from all the work to date as it relates to each action area, followed by suggestions for tools that will assist the implementation of integrated land use and transport at a regional level. The focus of many of the tools is on ensuring effective integration and implementation. An extensive discussion on changes that may need to be made to legislation is not included as this has already been extensively canvassed. Rather the focus is on tools that could ensure legislation is implemented effectively. The project team has, however, identified two key legislative changes and these are discussed in section 4.1.

This also applies to policy, where the focus is on how to ensure that current national policy is more effectively implemented.

The other action area, which sits largely outside the regional toolbox, is funding. The focus of the tools is how to effectively use the funding mechanisms already available regionally, as well as developing some new funding mechanisms to ensure legislation and policy are effectively implemented.

In presenting the tools it is important to acknowledge that the development of the tools has been informed by four main sources – the range of IAP reports (in particular the CityScope report released in November 2007), the two reports specifically prepared as part of this project (see Appendix A and Appendix B) and the contributions made by the steering group. All these sources provided a wealth of information to inform the development of relevant tools, including the identification of current practice in New Zealand and challenges to be addressed, and how the lessons from Auckland, Christchurch, Western Bay of Plenty sub-region and Wellington can assist other regions.

The output from the steering group process has been invaluable in the refinement of this chapter; particularly in determining what tools would be useful, what other tools could be included in the toolbox and how the toolbox might be developed to ensure use and uptake.

This section presents the full range of tools that have been scoped. In section 5 they are further consolidated and integrated into suggestions for tools that could be developed/or already exist to be included in the regional toolbox and prioritised for further development. Preliminary recommendations for the next phase of this project are also presented.

## **4.1 Legislation**

Currently, the legislative requirement for the integration of land use and transport is inferred rather than explicit. Land use and transport are managed under separate legislation. Land use is managed under the RMA and transport under the LTMA. Both legislative frameworks are complex; each is supported by specialist institutions, operational frameworks and expertise and, at least in the local government sector, both have to operate within the overarching framework of the LGA 2002. This all makes for a complex matrix of legislative requirements, organisations, and strategic and operating arrangements.

The issue of land use and transport integration is recognised to be of such importance (especially in the high-growth areas) that the principle of alignment between land use and transportation now warrants explicit legislative reference, both in the RMA and LTMA. A 'principled' approach is probably all that is required because the detail of how integration occurs in practice will vary across the country. Although outside the scope of the regional toolbox, the project team has noted a lack of appreciation of the mandate at both regional and district levels. Potentially, at a regional level, section 30(1)(a) (integrated management of natural and physical resources) and section 30(1)(gb) (strategic integration of infrastructure with land use) could provide this mandate, but as currently drafted the intent is more implicit than explicit.

While this responsibility needs to be brought to the attention of regional authorities, there could be a case to elevate the issue to a section 7 matter (similar in wording to section 7(j), ie the benefits to be derived from the integration of land use and transport infrastructure and services). Alternatively, a national policy statement could elevate these matters.

A similar amendment could be made to the LTMA in section 12 Land Transport Programmes, subsection 3, to include reference to the integration of land use and transport.

As discussed in section 3.1, the LTMA, as amended, will allocate new responsibilities to regional councils to integrate land use and transport.

It would be useful to provide guidance on how the RMA, LTMA and LGA 2002 could be used in an integrated manner to achieve efficient and effective outcomes in terms of land use and transport integration, as well as best practice guidance on how to use the existing legislation to secure long-term funding and resources. This could include how to foster integration and

support amongst and between agencies in the regions and the use of agency agreements to support implementation.

The following tools would assist understanding and practice of land use and transport integration through legislative opportunities at a regional level.

#### **4.1.1 Guidance on existing legislation**

Due to the complexity of existing legislative frameworks the development of guidance material on how the RMA, LTMA and LGA 2002 are inter-related and can be integrated is required to maximise their usefulness in promoting and supporting land use transport integration. This should include some form of 'wiring diagram' that fits on one page and demonstrates the inter-relationships between the statutes, and identifies all the planning instruments and strategies that must be prepared under each statute. It should also demonstrate the statutory relationships between the strategies and plans – for example district and regional plans must 'give effect to' regional policy statements.

#### **4.1.2 Guidance on the amended Land Transport Management Act 2003**

There now needs to be a simple guide to the new legislation explaining:

- its purpose
- the opportunities it provides, particularly opportunities to more effectively align regional transportation strategy with regional land use strategy
- a summary of the key changes, including the challenges
- a summary of actions that councils will need to take
- the support and resources available to assist councils.

The guide needs to be prepared by an appropriate body for the councils so that each council does not waste valuable time and resources producing their own individual guidelines. It should also ensure consistent interpretation of the amended Act's requirements and facilitate efficient and effective implementation.

#### **4.1.3 Implications of the amended Land Transport Management Act 2003**

The following are preliminary thoughts only:

- **Scoping exercise:** The challenges regional councils face will be different in each region according to politics, resourcing, issues etc. A scoping exercise to identify the nature and dimensions of the issues for each regional council would be useful. Part of the scoping exercise would be to discuss with regional council executives the organisational challenges that regional councils face with the amended Act. Key issues may include how to resource this enhanced role, the need for organisational restructuring, how to manage political challenges, how to build the trust and confidence of transport agencies and how to provide transportation leadership to the region.
- From a management point of view, a calm, methodical, structured and coordinated approach to these new challenges will ensure best results. Part of the scoping exercise might also be discussing and identifying specific initiatives or actions that would assist the integration of transportation planning (regional land transport strategy, passenger

transport plan, regional land transport programme etc) with land use planning (regional and district plans) and how those outcomes might be better integrated with long-term council community plans.

- **Implementation strategy:** The scoping exercise would inform the development of an overall implementation strategy. This strategy would identify the common actions required across the country as well as the specific needs of each region. It might also highlight the need for different strategic foci during different periods. For example, in the first three years after the amended Act has come into force the focus might be on establishment issues – designing and embedding governance structures, building capacity in the sector, establishing coordinated systems and procedures, establishing protocols that enhance collaboration between organisations etc. If these fundamental issues are not addressed well there will be ongoing difficulties later.
- **Working together:** Regional councils will need to work together to support each other because there will be common issues. There may be opportunities for coordinated programmes of work and for some councils to assist others. Also, it would obviously be helpful if there was a consistent approach to the development of systems and procedures across the country. There will also be lessons learned along the way that will be important to share between regions.
- **National level working party:** Given the significant political challenge faced, there may be value in establishing a working party made up of regional and territorial representatives to work through issues as they arise. This might be within the ambit of Local Government NZ.
- **Leadership challenges:** One of the key issues will be effective leadership of the regional land transport committee because political sensitivities between territorial and regional councils may become more apparent and there may be increased tension between transportation agencies as well, as they compete for resources. Central government, in developing the legislative arrangements, also has a leadership responsibility and should set out its expectations.
- **Funding:** For the effective and efficient implementation of this new legislation there needs to be adequate funding. Lessons should be learnt from the experience of implementing the RMA and the issues and bad practice resulting from the lack of funds for implementation and the assumptions that there was sufficient capacity in the existing system for implementation.

The above points are all fundamental to the successful implementation of the new legislation. To deliver on these requirements a team of highly skilled professionals should be brought together for a specified period in the form of a steering group to oversee regional implementation, and to avoid duplication and inefficient use of resources through each individual regional council 'reinventing the wheel'.

#### **4.1.4 Guidance on best practice**

As practice is evolving in terms of implementing the legislation, it would be useful to capture the learnings from best practice examples in terms of what they did, why they did it, how they did it, what worked well, what did not work so well, and what would be done differently

next time. This information would be of great use to others who want to embark on similar projects and processes.

An example of current best practice is the New Lynn trench project. This was a multi-agency project involving Waitakere City Council, Auckland Regional Transport Authority (ARTA) and ONTRACK. It focused on re-connecting the two halves of New Lynn, previously divided by the railway, as part of a plan to revitalise the town centre and to enable the residential and business sectors to flourish and develop into a major regional town centre. In the New Lynn of the near future, intensified housing options and a bigger business sector will mean many residents will have the opportunity to work within walking and cycling distance of their homes and enable others to choose public transport as a preferred commuting option rather than using private vehicles. The processes adopted to implement and successfully deliver this project should be investigated as part of the development of best practice case studies. Information on this project can be downloaded from [www.waitakere.govt.nz](http://www.waitakere.govt.nz)

In addition to the identification of best practice, there is a need to promote and encourage best practice. Ways to do this include celebrating best practice through a media profile for the agencies involved, the establishment of awards for projects that demonstrate best practice in terms of land use and transport integration, or the provision of grants or funding to organisations that have been able to demonstrate best practice. A communication strategy could be developed to profile best practice and sustain its ongoing dissemination.

#### **4.1.5 Possible tools**

The tools that could be developed to support the implementation of the legislation include:

- **advisory material** on the relevant provisions of the existing legislation and its efficient and effective implementation at a regional level
- **guidance material** to introduce and 'kick start' new legislation effectively through practical advice
- **best practice** case studies – a consistent template needs to be developed to capture and communicate best practice
- a **communications plan** to profile best practice
- **awards** to celebrate best practice in land use and transport integration – these could be incorporated into existing awards at local, regional and national levels
- the provision of additional **funding or grants** to those who have a track record of the implementation of land use and transport integration projects (ie incentives).

## **4.2 Policy**

### **4.2.1 Business case**

A consistent recommendation from the IAP project is the need to develop a shared understanding on how land use and transport integration contribute to economic and social development, growth management and national sustainability. In particular, both Allan (2007)

and CityScope (2007) include a recommendation to develop consensus and clarity on a desired vision and outcomes for integrated transport and land use planning.

The development of consensus and clarity is a necessary aid for regions in making the case to develop policy and plans supporting the integration of land use and transport. We refer to this as the 'business case' to support policy development at a regional level. This business case needs to be applicable to a range of practical circumstances (region, city, town or rural area), with each region being able to draw on the business case to support change.

The business case needs to simply and clearly communicate why we should plan for and develop policy to promote the integration of land use and transport, and how we should implement these plans and policies and demonstrate 'on the ground' beneficial outcomes. The business case must include on the ground built examples of what integrated land use and transport outcomes look like at a range of levels, ie site specific developments, greenfield residential developments, brownfield developments, town centre developments and inter-urban linkages.

#### **4.2.2 Best practice strategy guidance**

The other aspect of policy is the development of best practice guidance drawing on the wealth of experience and knowledge from the development and implementation of policy in New Zealand – particularly Auckland (*Auckland regional growth strategy*), Wellington (*Wellington regional strategy*), Christchurch (*Greater Christchurch urban development strategy*) and the Western Bay of Plenty sub-region (*SmartGrowth 50-year strategy and implementation plan*) – and from overseas – particularly South East Queensland (*South East Queensland regional plan*).

From past experience, a number of fundamental components and considerations have been identified that are required to ensure that a strategy does not fail. These include:

- clarity on why change is needed – what is the issue/problem?
- goals, objectives
- strategies need to be spatial (map based) to avoid uncertainty in terms of interpretation and thereby giving them more chance of being implemented
- community engagement is critical – if the community is behind the strategy then this will engage the politicians and the strategy will have a reasonable chance of success.

Phase two of the IAP project is generating a range of examples and lessons to underpin the dissemination of good practice. Using existing information, case study examples could be developed and disseminated in a similar format to that suggested for best practice case studies for legislation implementation, ie what they did, why they did it, how they did it, what worked well, what did not work so well, and what would be done differently next time.

Those involved with the development of the *Greater Christchurch urban development strategy* (Greater Christchurch 2007) are very keen to reflect on the approach followed by others and assess what worked and what did not work. This will ensure that the lessons

learnt from the experience inform future work and enable others to learn from this experience.

#### **4.2.3 Political risk assessment**

In McDavitt's report on political risk (see Appendix B), the importance of undertaking an assessment of political profile to support policy development and implementation is advocated. Politicians have an integral role to play not only in the development of policy, but also in the implementation process. Inclusive policy process can build supporting coalitions, but exclusive policy process may build resentments. It is, therefore, critical to include politicians in this process, while understanding and managing the risk they may pose. Once the risk assessment has been undertaken (there is more detail on this in section 3.2) then a political risk management plan can be developed within a region to strengthen the likelihood of effective implementation of policy and plans.

As clearly demonstrated with the *Greater Christchurch urban development strategy* community support is critical. If the community supports a strategy, plan or policy this will ensure that the politicians are engaged. Politicians have an important role in managing risk – they can become champions of projects and provide much needed leadership.

Also, the role of politicians in facilitating integration is not always recognised and as a result not always effectively utilised. In smaller councils the councillors are often the ones that have the 'overall picture'. Staff can be working in silos while the councillors have the overall view and can be key to integration.

#### **4.2.4 National policy statement**

A national policy statement in respect of land use and transport integration has been identified as a very important high-level tool required to set in place the principles for integration. It could also be a mechanism for formalising the linkages between regional land transport strategies and regional policy statements and other RMA plans.

The establishment of high-level principles for land use and transport integration would provide the framework for growth management policies in regional policy statements and district plans and thereby remove the opportunity for litigation regarding the principles adopted by councils in terms of approaches to growth management.

The national policy statement only needs to be a short simple document that sets out high-level principles. It should not form part of the national policy statement being produced on urban design.

#### **4.2.5 Possible tools**

The tools that could be developed include:

- the **business case** for integration (refer to section 4.6 on capacity and capability for some tools, including dialogue processes, to support the development of the business case)



- **best practice** case studies on development of policy at a regional, sub-regional and local level to support land use transport integration – a consistent template needs to be developed to capture and communicate best practice
- guidance on **political risk assessment** and the preparation of regionally/locally appropriate **political risk management plans**
- high-level principles on land use and transport integration identified through a **national policy statement**

### 4.3 Institutional frameworks

Given the focus on tools to support integration of land use and transport at a regional level, the discussion on institutional frameworks is more focused on ensuring effective implementation. The CityScope report (2007) recommends that the focus of tools in this area should be around creating a platform for collaboration between central and local government, across local government bodies, and alongside the range of agencies involved in land use and transport. The report by Heslop (see Appendix A) also suggests a range of approaches that would be useful in ensuring effective integration and implementation.

#### 4.3.1 Possible tools

The tools and approaches that could support the establishment and effectiveness of institutional frameworks include:

- the development and building of integrated teams
- the nurturing and maintenance of people/role/responsibility networks within and between organisations
- guidance on strategies for effective collaboration
- the active management of relationships
- the use of independent project managers for multi-agency projects
- the use of project agreements
- the fostering of communities of practice.

A discussion on each of the tools is set out below.

#### 4.3.2 Integrated teams

A lot of thought and planning needs to be focused on developing and building integrated teams. These can be multi-disciplinary, cross-organisational and multi-organisational. These integrated teams acknowledge the need to bring all parties along so that shared ownership of the outcomes of the planning process leads to alignment of documented commitments across agencies and agreement on where the relevant funding contributions would arise. These teams need to be built progressively and extended in the course of implementation. The use of inter-disciplinary teams and decision-making committees for policy development as well as project delivery helps to build distributed intelligence.

The use of integrated teams supports a sharing of perspectives, a building of collective knowledge and a sense that the achievement of outcomes is a joint task. This also supports inter-professional understanding and developing ways of working together to enhance outcomes. These teams could be inter-organisational, should be cross-professional, and should be promoted between organisations, eg across city or region. It is important that these teams are allowed the necessary time to develop ways of working together. It is also important to recognise that team members will, however, be reporting to two masters – the team leader and their ‘home’ organisation and this needs to be appropriately managed.

There is also the possibility of establishing an ‘enabling team’ from central government to work with local authorities and developers, contributing skills, sharing experience and promoting particular outcomes.

#### **4.3.3 Networking**

There need to be opportunities for both formal and informal networking. Many good ideas and the exchange of knowledge happens in informal networking situations – meeting for coffee, chance hallway meetings as well as formal meetings and workshops. Supporting these interactions is important, with individuals being given time to participate. This could include structured events such as seminars (focused on introducing ideas to support the benefits of integration – answering question ‘what is in it for me?’), team building, guest speakers from different parts of the organisation, etc.

#### **4.3.4 Collaboration**

Collaboration can range from vertical to horizontal. A vertical approach is based on a statutory mandate and accompanied by a growing emphasis on matters of detail and an increased commitment to additional regulation for implementation (see the *Auckland regional growth strategy* (Regional Growth Forum 1999)). Or it can be achieved through more horizontal collaboration, where agreement relies on cross-regional collaboration (through committees as in the case of the *Wellington regional strategy* (Greater Wellington Regional Council 2007)) and mechanisms for distributing responsibilities for implementation.

Where there is a significant or dominant urban area, it may be most appropriate for the regional council to be the agency for planning and implementation. Where there are only two or three local councils collaboration may be a more effective model (Western Bay of Plenty sub-region – SmartGrowth programme). Any more councils would mean that the risks, costs and the need to coordinate timing may favour a vertical approach.

There is also a risk that an externally imposed vertical model may be less effective than a voluntarily agreed model in achieving ongoing commitment to an integrated approach from the participating organisations.

It is important to look for opportunities to collaborate on policy development as well as on projects. Too often the focus of collaboration is on projects, whereas if all key stakeholders are involved from the beginning of the policy process then buy-in is more likely to happen. It is also important to ensure that collaboration on projects occurs within and between organisations and that this expectation is set through organisational charters or other such arrangements.

Non-statutory documents can be useful in aligning issues, objectives and organisations. In the process of developing these documents there can be a high level of collaboration and flexibility to ensure that the private sector can be fully engaged in achieving outcomes sought through negotiation rather than litigation.

In order to make collaboration work there needs to be:

- a unified view
- individual parties holding each other accountable for delivering on policy commitments
- a defined level at which problems are solved (eg CEO level)
- a sound governance foundation and compelling evidence in place rather than being imposed.

Regional land transport committees provide significant opportunities to achieve collaborative approaches. It is important to ensure committees such as these are adequately resourced and develop the skills necessary to work collaboratively.

Collaborative approaches to data are also important, particularly in ensuring that all the people in a region are working with sets of agreed data. An example of this is the Waikato Transport Model funded by Environment Waikato, Hamilton City Council, Waikato District Council, Waipa District Council, Transit NZ and Land Transport NZ.

#### **4.3.5 Partnership/relationship strategies**

It is important for those in the public sector involved with land use and transport integration to foster a relationship with local developers and to work closely with the community to align expectations to achieve a more active and integrated approach. Strategies to support these partnerships need to be developed to manage expectations and to be clear on the boundaries of the partnership. In addition to the strategies, individuals and organisations need to develop knowledge and skills in identifying and managing key relationships to ensure engagement of relevant colleagues and organisations. Relationship management strategies can assist with this.

There is a strong link between how project agreements are written (see below) and identifying which person or persons are responsible for actively managing the partnership. This could be a role for a strategic broker (see below).

#### **4.3.6 Independent project managers**

The problems of working together, both internally and externally such as patch protection, historical grievances etc may be overcome if the project is managed by someone who is not an employee of the organisations involved.

#### **4.3.7 Agreements – MOUs**

There is a need to ensure that equal weighting is given both to understanding and supporting how people work together and maintain relationships, and to the task they are involved in. Key performance indicators need to be developed to support values delivered rather than just outcomes or outputs. Templates for memoranda of understanding (MOUs), practical partnership models and other model form agreements could also be developed.

For better collaborative, cross-organisation projects there needs to be adequate and appropriately resourced staffing, with sufficient time given to allow the development of skills and knowledge and to participate in integrative processes.

#### **4.3.8 Strategic brokers**

Strategic brokers can have a critical role in ensuring effective implementation, and for this reason it is important to identify and support strategic brokers. The attributes of these individuals include technical and sectoral expertise, and knowledge of government networks. The key role of strategic brokers is to build and maintain relationships. Strategic brokers have already been used successfully in sustainable development implementation projects (see Heslop 2006a).

#### **4.3.9 Communities of practice**

It is important to recognise, establish and support the use of communities of practice. According to Allan (2007) communities of practice are networks that support skill and knowledge development of those working across different departments or teams (eg people working across different projects with interests in reducing car use). These networks (that are often already in place) develop due to recognition that staff can improve their skills through interacting with others working in the same technical areas of expertise. Allan (2007) has identified some enabling factors that are necessary to support the growth of communities of practice, including to:

- legitimise participation of staff members, and if possible create incentives to encourage wide participation, without overloading staff
- allow for flexibility by acknowledging the self-organising nature of the community of practice
- focus on the values delivered, not the outcomes (a community of practice supports individuals to achieve better outcomes through improved practice in their individual work areas)
- provide for a core group of engaged people to fulfil the main leadership roles yet at the same time encourage other levels of participation in the wider community
- provide appropriate technologies and environments for easy participation.

#### **4.3.10 Presentation/information on these tools**

Many agencies with transport and land use planning responsibilities may not be aware of the tools identified in this section, or how or where to apply them and their potential effectiveness. The establishment of an advisory service and/or preparation of advisory material that builds understanding of what the tools are, how they work, how to set them in place and what tool is appropriate in what circumstances would be an effective mechanism for disseminating this information. An appropriate means of achieving this is through the information exchange described in section 4.5.2.

## **4.4 Funding**

For the majority of territorial local authorities, transportation is their single biggest activity both in terms of capital and operational spend. Also, transportation assets tend to dominate balance sheets and for many local authorities, in terms of funding source, Land Transport NZ is their largest single stakeholder. However, funding the 'local share' of transportation and funding the transportation consequences of growth continue to plague some regions and local authorities. Given that the total funding envelope for transportation is unlikely to change materially, it is important to identify potential tools to maximise the value of transportation expenditure.

The transport funding area has also been identified as one that is poorly understood and it appears that many professionals working in this and related areas are not well informed.

### **4.4.1 Regional strategy and alignment**

At present, transportation and land use planning within regions is a complex mix of sovereign agencies, different legislative requirements and uncoordinated strategies, plans and arrangements. There is no doubt that the complexity of this environment compromises the effectiveness of transportation and environmental outcomes.

Improved integration was one of the key drivers behind the recent amendment of the Land Transport Management Act. Every effort should be made to significantly improve integration and strategic alignment between agencies within a region. This could be through a strategy that identifies the broad long-term outcomes desired by the region and reflects the four wellbeings identified in the LGA 2002 – social, economic, environmental and cultural. This overarching strategy would need to recognise national strategy and policy; it would have implications for transportation and land use planning; and it would inform operational strategies and plans.

Even if it is not possible to achieve such an overarching regional strategy, in the interests of securing best outcomes for stakeholders, local authorities should be making considerable investment in regional alignment – especially around activities that have regional implications. Effective regional alignment should maximise funding opportunities along with ensuring efficient and effective use of funds

### **4.4.2 Development and financial contributions**

Territorial authorities have the opportunity under the LGA 2002 to levy 'development contributions' and since 1991 under the RMA to levy 'financial contributions'. These are mechanisms whereby local authorities can not only recover the growth component of cost for community and network infrastructure, but also actually influence integrated land use transport planning by highlighting uneconomic developments.

For a variety of reasons local authorities, generally, have taken a conservative approach to development contributions since the introduction of these provisions in 2002. However, it is potentially a significant funding source, and failure to capitalise on this opportunity means

that either more pressure is put on other funding streams and/or the quality or scope of physical works is reduced or work is deferred. This latter response results in a lower level of service in the form of more congestion, slower travel times, more accidents and so on.

Two reasons why development contribution policies may currently be less than optimal are firstly, inadequate asset information and secondly, fear of legal challenge. The complexity of developing and implementing development and effective contribution policy is acknowledged. However, for some regions, development contributions are potentially a significant funding stream and are also important growth management tools. Regional coordination could provide a greater investment pool to develop appropriate and robust development contribution methodologies. It could also enable access to the best skills, improve the capacity and performance of policy and provide a more consistent regional approach.

#### **4.4.3 Carbon impact fees**

Greenfield development generally has a cost advantage over brownfield development and other intensification projects because of lower land costs and often subsidised infrastructure. As discussed above, for a number of years territorial authorities have charged financial/development contributions for infrastructure and open space. Consideration could, therefore, be given to creating and implementing some form of CO<sub>2</sub> emissions impact fee to internalise carbon impacts into development costs, thereby rewarding best development practices and raising the price of carbon inefficient development (Ewing et al 2008).

These contributions could be used to assist in funding cycling facilities and pedestrian amenities etc in brownfield and other intensification projects.

#### **4.4.4 Funding for implementation**

For the successful implementation of strategies, plans and policies sufficient funding and resourcing is required. Often the focus has been on the preparation of these documents, with significant sums of money and large numbers of professionals and politicians committed to this stage of the process. However, once this stage has been completed little consideration has been given to the funds and resources required for implementation.

The implementation of strategies, plans and policies is just as critical as the preparation. If implementation cannot be effectively carried out, there is little to be achieved in preparing strategies, plans and policies. It is, therefore, critical to ensure that the implementation stage is adequately funded, resourced and supported politically.

#### **4.4.5 Funding to provide incentives for integration**

The use of financial incentives could be a very effective mechanism to achieve the integration of land use and transport. Reductions in development and financial contributions are options that could be considered when developers demonstrate integration/multi-modal developments along with the availability of additional funding.

#### **4.4.6 Possible tools**

Tools that could be developed include:

- ensuring regional strategic alignment to maximise funding opportunities

- potential for regional coordination of development contributions
- ensuring sufficient funding is available to effectively implement integration of policies, plans and strategies
- creating and implementing some form of carbon impact fee
- use of financial incentives to bring about successful integration outcomes.

#### **4.5 Planning practice (implementation)**

The brief for scoping this regional toolbox has a strong focus on delivering successful implementation. Implementation needs to be the focus of all action areas identified in the IAP phase one report (Allan 2007) and these have been discussed in earlier sections. This section has, therefore, focused on implementation through innovative planning management. The significant issue of the capacity and capability to support implementation is discussed in the next section.

The various tools, mechanisms and approaches identified to assist in the implementation of the integration of land use and planning include:

- planning incentives
- information exchange
- regional spatial plans
- enhanced regional policy statement
- aspirational plans
- integrated transport assessment
- Transit NZ's *Planning policy manual* (Transit NZ 2007)
- regional parking strategies
- guidance notes for multi-modal developments
- sustainable transport plans
- enhanced LTCCPs
- principles of road hierarchies
- advisory panels
- targets and monitoring
- scoping projects
- land use and transportation system simulation modelling
- communication strategies

Each of the above is discussed in more detail as below.

#### 4.5.1 Planning incentives

The Low Impact Urban Design and Development research programme<sup>4</sup> recently released a report that reviewed the range of mechanisms being used internationally (ranging from cooperative to coercive) to actively support and promote more sustainable development practices. Some of the mechanisms from the report (Puddephatt and Heslop 2007) could be useful also in promoting the integration of land use and transport. For example the allocation of density bonuses (more floor space for example) or the reduction in development contributions if a developer can demonstrate enhanced land use and transport integration in their development proposal.

#### 4.5.2 Information exchange

There is a need for more information sharing and dissemination. This can be achieved through professional development workshops to bring together various specialisations to build a common language and understanding to address particular issues. These could be the use of websites (eg the Quality Planning website [www.qualityplanning.org.nz/](http://www.qualityplanning.org.nz/)); enhanced organisational and inter-organisational arrangements (see section 4.3), targeted networking; and the regular summarising or stocktaking of policy documents that are generated in particular areas or on particular issues of common interest.

Opportunities exist to share resources across agencies, for example using peer reviewers from amongst different councils. This could provide smaller councils with access to the skills and resources of their larger counterparts.

The potential also exists for the development of an information exchange. A successful example of this is the Clearwater Information Exchange ([www.clearwater.asn.au](http://www.clearwater.asn.au)). The Clearwater exchange resulted from the realisation that there was a need to build capacity to support the implementation of sustainable urban water management and is specifically focused on this. Clearwater presents training, resources, advice and referrals to facilitate and support best practice. An information exchange for land use and transport integration could:

- provide up-to-date best practice examples
- be responsible for training programmes
- be the 'agency' that sets up and supports secondments
- support and guide leaders and strategic brokers etc.

The funding and scope for such an initiative would need to be thought through in detail.

#### 4.5.3 Regional spatial plans

Section 30 of the RMA sets out the functions of regional councils and these include 'the strategic integration of infrastructure with land use through objectives, policies and methods' (section 30(1)(gb)). While, (to the project team's knowledge) this has never been legally tested,

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<sup>4</sup> The Low Impact Urban Design and Development (LIUDD) research programme is a Foundation of Research, Science and Technology funded project being run by Landcare Research in partnership with the University of Auckland. The research programme is focusing on how to shift practice from conventional urban development to more innovative, integrated, sustainable approaches, including understanding and facilitating the processes of change to support innovative policy and practice.



this section of the RMA could give the mandate to regional councils to develop regional spatial plans. These plans could provide the statutory vehicle to ensure the integration of land use and transportation at a regional level.

The matters that a regional spatial plan could address include the extent of urban development, growth nodes, connections, provision of transport (multi modal), infrastructure, etc.

The development of regional spatial plans under the current provisions of the RMA needs to be investigated further as it has the potential to provide regional councils with the opportunity to introduce a degree of statutory land use planning at a regional level as well as providing a statutory means of aligning regional transport strategies with regional land use planning. There also appears to be no reason why such plans cannot be embedded in regional policy statements, or why rules cannot be developed under sections 67 and 68 of the RMA.

#### **4.5.4 Aspirational plans**

Even where collaboration has played a role in policy development, implementation usually relies on the time-consuming and litigious process of preparing district plans and regional policy statements. There is a need to look at how existing statutes can be used to advance opportunities rather than constrain actions. To support this, plans need to be more visionary and aspirational rather than simply emphasising conformity with statutory outcomes. A recent Environment Court decision *Intercontinental Hotel et al vs. Wellington Regional Council* (Decision W015/2008) has downplayed the ability of documents that have not gone through an RMA process to be taken into account in RMA application decisions; however, they can still strongly inform policy.

An example of such an aspirational plan is the *Auckland sustainability framework* (Regional Growth Forum 2007a), which is a long-term (100 years) and integrated approach to regional planning based on the four wellbeings of the LGA 2002.

#### **4.5.5 Regional policy statements**

Regional policy statements are significant statutory instruments in delivering the integration of land use and transportation as they set regional policy that must be given effect through regional and district plans. The current process under the RMA for developing regional policy statements is often litigious and protracted given the ability to appeal regional council decisions on these documents to the Environment Court (or higher courts).

The important point to note is that regional councils in developing regional policy to give effect to regional growth strategies, regional land transport strategies etc (or aspirational plans as discussed above) may not be the final decision makers on that policy because of appeal rights.

Any change to this existing situation could possibly be achieved through the development of a national policy statement that establishes high-level principles including those relating to integrated land use and transportation planning, or a change to the RMA to remove appeal rights. Both of these are outside the scope of this project.

#### 4.5.6 Integrated transport assessment

Integrated transport assessments (ITA) have been developed to provide information on how future land use developments will function in terms of accessibility. They can be applied to proposed development proposals, subdivisions, structure plans, masterplans or plan changes that provide for changes to zoning, comprehensive developments etc. ITAs can assist in determining where activities should be located and how they should be designed and managed to promote access by a choice of modes. Mitigation measures should be identified to support the transport system.

The Auckland Regional Transport Authority (ARTA) (2007b) has developed ITA guidelines to assist in identifying how a development will interact with existing transport networks, where traffic capacity constraints could occur, whether public transport services are sufficient and the level of accessibility for walking and cycling. The guidelines establish a process to ensure a full assessment of transport opportunities and constraints is undertaken and the proposed developments align with regional planning and transport policies.

These tools assist in assessing the pattern of travel generated by changes in land use and the suitability of transport arrangements to accommodate these changes. They also assist in determining the suitability and appropriateness of future land uses. IAPs have significant potential for actively promoting the integration of land use and transport. They could also be used as a mechanism for determining whether a proposal qualifies for funding or for incentives such as those discussed in section 4.5.1

#### 4.5.7 Transit NZ *Planning policy manual*<sup>5</sup>

Transit NZ is committed to delivering a state highway network that builds a better New Zealand and considers that one of the ways to assist this is by integrating multi-modal transport infrastructure and land use change.

The *Planning policy manual* (Transit NZ 2007) sets out Transit NZ's approach to achieving greater integration and is based on the following themes:

- achieving integration through partnership
- long-term planning and funding
- balancing national and local needs and aspirations
- supporting sustainable development
- providing value for money.

Through its *Planning policy manual*, Transit NZ has endeavoured to codify policies and practices that fulfil its statutory objective under the LTMA and reflect the above themes.

The manual is a valuable resource document as it contains a significant body of wide-ranging information including a summary of integrated planning statutes, a cycling and walking policy matrix, suggested policies for regional and district plans, criteria for assessing

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<sup>5</sup> In August 2007, Transit New Zealand issued a review of the *Planning policy manual* for comment.

development proposals and integrated transport assessment. There is also potential for councils to develop similar documents in order to codify policies and practices relating to the integration of land use and transport.

#### **4.5.8 Regional parking strategies**

As vehicular journeys involve parking at the start and end of each trip, the availability and cost of car parking can influence decisions on the transport mode used, time of travel and choice of destination. Car parking facilities have impacts on urban form and amenity can take up valuable space and significantly increase development costs, often to the detriment of integrated planning.

Parking management is a significant travel demand management mechanism for encouraging the use of public transport, walking and cycling to and within existing centres and those identified for additional growth. As centres become less car dependent and more pedestrian and public transport focused, they become more sustainable centres supported by a higher level of public transport investment.

The Auckland Regional Council (2008) has prepared a draft regional parking strategy that sets out objectives, policies and actions to improve integration between the supply, management and price of parking, and the land use, transport, economic, social and environmental outcomes sought by the region. It includes policies that:

- support plans for land use intensification around selected mixed use high density centres and corridors
- encourage travel behaviour changes for a more sustainable, less car use intensive future
- integrate parking supply and management and implementation actions with planned improvements to the public transport system
- support increased travel by public transport and active modes
- make better use of existing parking resources
- achieve consistency in district plan rules and standards for parking provision and operation among equivalent developments and centres throughout the region
- contribute to improved urban design, particularly in high density centres and corridors.

The use of parking strategies to promote the integration of land use and transport has significant potential, particularly as a tool to assist in the implementation of regional and sub-regional growth strategies.

#### **4.5.9 Sustainable transport plans**

ARTA (2007c) has prepared a *Sustainable transport plan* for the Auckland region that sets out the actions needed to deliver the sustainable transport component of the RLTS.

The plan aims to integrate sustainable transport activities with each other and with planned improvements to infrastructure and services. Getting this to happen in a way that contributes

to the goals of the region, will require working across multiple agencies, and developing new ways of sharing costs, managing risk and evaluating success.

Sustainable transport plans have the potential to assist in the implementation of regional land transport strategies. How successful they prove to be will depend on the ability and willingness of different organisations to work together. As with many of the tools identified in this subsection, they need to be supported by a range of the tools identified in other subsections of this section 4 to achieve successful outcomes.

#### **4.5.10 Guidance notes for multi-modal developments**

Another ARTA (2007a) initiative has been the preparation of a *Guidance note for achieving multi-modal developments*. The purpose of the guidelines is to provide advice to ARTA, local authorities, developers etc on the various approaches and options that should be considered and, where appropriate, integrated into a development proposal for a multi-modal land use and transport approach. The guidelines should be read in conjunction with the ITA guidelines discussed above.

These guidelines are a mechanism for ensuring other transport users are considered when assessing development proposals and that provision is made for facilities that encourage multi-modal approaches.

#### **4.5.11 Long-term council community plans**

LTCCPs are prepared by both regional councils and territorial local authorities. They are effective for achieving some integration within organisations and can be effective tools for achieving alignment between councils, especially for joint strategies developed in a non-statutory setting. They can also enable alignment of council funding with shared strategic (or regional) outcomes, especially if combined with cross-council agreement to consult on any significant departures for an agreed strategy. LTCCPs are subject to regular and relatively prompt review, overcoming some of the timing issues that have dogged the integration of planning in the past.

Consideration needs to be given to whether a regional level LTCCP can be prepared as a collaborative effort between regional councils and territorial local authorities for the purposes of land use and transport integration. Ideally the regional level LTCCP could support the implementation of land use transport integration at a local level. The other consideration is whether LTCCP could be structured in a more integrated way rather than being activity focused. The other role that LTCCPs can play is to articulate community outcomes – many of the aspirations for communities may possibly be delivered through land use transport integration. It is important to understand the outcomes being sought in order to design and implement locally relevant policies and projects. These issues need to be discussed further.

#### **4.5.12 Road hierarchies**

Road hierarchies classify types of roads in a region/district and their priority in terms of function. They differentiate roads by primary function and assist in the planning and management of the road network and surrounding land use. There is an argument for moving away from a hierarchical road system to one that is:

- interconnected
- provides amenity
- applies a multi-modal approach that limits the capacity for single occupant vehicle traffic.

Nevertheless, the current convention is to rely on road hierarchies for planning purposes.

The principles of road hierarchies have the potential to assist in sorting out many regional/local tensions and also some national/regional tensions as well and thereby aid the integration of land use and transport. The risk with road hierarchies is that they are simply seen as vertical authorities, ie national rules over regional and regional rules over local, whereas the principle is about applying standards appropriate to functions.

#### **4.5.13 Advisory panels**

Advisory panels, taskforces etc similar to those being implemented to support urban design, could be developed for land use and transport integration. These would need to comprise a group of very experienced and well respected professionals who would be responsible for ensuring integrated outcomes. Their functions could include monitoring of performance; establishing criteria for evaluating strategies, plans and policies; undertaking evaluations; and undertaking reviews to assist councils to achieve better land use and transport integration.

#### **4.5.14 Targets and monitoring**

The development of targets for monitoring of land use and transport integration is a challenge that needs careful consideration and further development. The *New Zealand transport strategy* (Ministry of Transport 2002) sets national targets, but many of these, particularly in areas that are more intangible are difficult to translate to regional and local levels. Perhaps this could be a responsibility for the NZ Transport Agency.

Once targets have been agreed upon and established at regional and local levels they should be externally monitored. This could be undertaken by the panel/taskforce discussed above.

#### **4.5.15 Scoping projects**

Understanding the full context and scope of projects is critical in ensuring land use and transport integration. Consideration should be given to opportunities to increase the benefits of a project at the scoping stage. These approaches can make a project more expensive in the short term, but they will deliver long-term benefits. The long-term benefits need to be clearly understood, and political support and understanding is important to ensure there is 'buy in' to integration.

#### **4.5.16 Land use and transportation system simulation modelling**

The use of land use and transportation system simulation modelling to:

- build a spatial picture within boundaries, of trip demand (in relation to origin, destination, purpose and mode)
- simulate with data projections or other input assumptions

- use model outputs to inform about the consequences of projected or assumed future settlement patterns and transportation system performance

has been used successfully by Transit NZ, Nelson City and Tasman District Councils in respect of the North Nelson to Brightwater Corridor Study. This model was also used for the Tasman District Council – Richmond Development and Transportation Study.

#### **4.5.17 Communication strategies**

Being able to communicate effectively is one thing – having clear communication strategies is the next stage. The development and implementation of programmes and policies for land use transport integration needs to include a communication strategy so that everyone is informed and can participate effectively. The communication strategy needs to make it clear what outcomes are being sought and how they will be achieved.

### **4.6 Capacity and capability**

The issue of capacity in terms of the skills, knowledge and processes to support integration of land use and transport has been clearly identified as a key issue that needs addressing to ensure implementation. There are a number of ways to address the capacity issue including:

- seconding experienced personnel within and between organisations
- upskilling individuals with the necessary skills and knowledge to ensure integration and implementation
- contracting in the necessary skills and knowledge
- establishing an internal consultancy
- identifying, fostering and supporting leaders and champions
- engaging the politicians
- recruitment and retention strategies
- establishing a mentoring programme
- provision of services from consultants
- employment and performance agreements
- managing capacity
- capacity and capability assessment
- using local knowledge.

Each of the above is discussed in more detail as below.

#### **4.6.1 Secondments**

Rather than internalise all the necessary skills and knowledge attributes, or push incumbents beyond their comfort or competence, secondments, either from within organisations or between organisations, may be an appropriate means to supplement skills and broaden inter-agency input and commitment. The use of secondments can also build effective relationships and help to develop understanding across issues, organisations and professions.

These secondments might be for a specific project or might be to allow individuals to learn about what other individuals/professions/organisations do. A core part of the secondment is that when the individual returns to their job they need to share the knowledge and perspectives with their work colleagues. This may also require the development of communication skills.

Rather than each regional council trying to second staff it might be worthwhile developing a more central secondment strategy using a 'shared pool' of key advisors, so that everyone benefits and councils are not competing for the same individuals. To take this concept a step further a specially constituted, high-level implementation group of senior professionals with relevant experience could be seconded or appointed from various agencies to implement changes.

#### **4.6.2 Skills development**

There is a clear need to provide individuals with a range of skills that support land use and transport integration. These skills will allow individuals to participate and contribute to the process of integration and to apply their knowledge effectively. Specific skills include communication, negotiation, problem solving, facilitation, innovative and integrative thinking, conflict resolution, relationship management, interpersonal skills and project management.

Rather than each council developing their own skills development processes (this might include training, secondments, shifting people across disciplines etc), these could be developed more centrally. The skills are likely to be needed across the board so it is important to look for opportunities to run joint-organisation, joint-sector and joint-profession training. This is not only more efficient but it will also assist with building a shared understanding of what is needed to integrate land use and transport.

It has been suggested by CityScope (2007) that planners need to be equipped with skills as social scientists in order for them to think more broadly. There is also an urgent need for combined training on land use and transport integration for traffic engineers, transport planners and urban planners. In order to build this capacity there will be the need to partner with professional institutes such as the New Zealand Planning Institute to develop training programmes.

#### **4.6.3 Contracting in**

At times it might be more effective to contract in people with specific skills and aptitude. Before doing this it is important to be able to identify the specific skills and expertise needed so that the most appropriate person or people are chosen. When this happens it is useful to have them work with internal staff so that staff may learn from them and that their expertise is passed on to a wider group. This proposal is consistent with 4.6.1 above.

#### **4.6.4 Internal consultancy**

Similar to the idea of contracting in, there may be opportunities to use people from within an organisation who have particular skills and knowledge. In order to support this approach it is necessary to be able to identify the specific skills, knowledge and expertise that exists, and develop internal processes to support the use of these people when needed.

#### **4.6.5 Leaders and champions strategy**

There is a need to identify, foster and support leaders and champions of land use and transport integration. These individuals should be able to inspire others to change practice to support land use transport integration. They need to be passionate and visionary and be provided with opportunities to inform and influence others. These leaders could be internal, ie staff, management, politicians, or could be external (developers, community groups, lobby groups). It is important to develop a strategy on how these individuals will be supported and utilised to get the best outcomes.

#### **4.6.6 Engaging the politicians**

In a politically charged area such as this, there is a need to continuously brief and engage with local and regional elected members, especially those on relevant committees such as the regional land transport committee (RLTC). As suggested by McDavitt (see Appendix B) politicians should be regarded as resources rather than obstacles and considered as 'your resident experts on local political and public acceptability'. Their advice even if unwelcome in content must be taken into account as it is by definition representative and their state of consensus sets the pace of implementation. Briefing and engagement require the less formal setting of workshops. A programme of politician workshops, additional to formal meetings and sometimes joint with the participation of several councils, is commonplace in regions that have made progress on integrating strategies.

Politicians with spokesperson and agenda-setting roles such as mayors and chairpersons (including RLTC chairpersons) merit extra consideration as their relative understanding of, and support for the strategy is a necessary building block. A strategy that does not have competent allied politician in key roles is in trouble.

#### **4.6.7 Recruitment and retention strategies**

There is a shortage of skilled practitioners in this area, so recruitment may be difficult. Many councils will be competing for the same individuals. One important thing to consider when recruiting is to look for 'smart people' who can deliver outcomes, rather than simply professionals who are committed to certain procedures and rules. A recruitment strategy will have to identify the specific skills, knowledge and expertise that is needed to integrate land use and transport.

An option for retention is to offer part-time employment options to staff nearing retirement. This may allow the organisation to secure the skills and knowledge of these individuals for some additional time. It is also important that organisations establish clear career development paths for their staff along with commitments to succession planning.

#### **4.6.8 Mentoring**

Mentoring is a particularly useful tool as it allows an organisation to draw on 'institutional memory' There are individuals who have a wealth of knowledge that can support the development of individuals working in organisations and these individuals could prove to be valuable mentors. It is also useful to encourage the mentoring of new staff by pre- and post-retirement personnel (particularly useful given councils' dependence on large numbers of young, generally inexperienced people).



There are a number of skilled professionals who are either nearing retirement or are already retired. It is useful to consider utilising these professionals to provide mentoring to staff. There may also be other people within an organisation who can offer mentoring, although they would need to have their workload reduced so they could take on a mentoring role. There may be individuals in other organisations who could provide mentoring. It may be useful to develop a portfolio of mentors to provide regional councils with a readily accessible resource of mentors to draw on.

#### **4.6.9 Provision of services from consultants**

Where specific gaps in knowledge, skills or expertise have been identified, an agreement (and associated funding) could be given to one or more consulting agencies, so that local government could draw on the knowledge, skills or expertise of consultants to feed into policy and projects. One example could be the provision of advice on best practice approaches regarding how to develop policy in a collaborative and integrated way and bring together a range of perspectives from within and between organisations and professions, and support and facilitate inter-disciplinary processes.

#### **4.6.10 Employment and performance agreements**

Employment and performance agreements need to include the expectations that individuals will be required to participate in integrative and collaborative processes.

#### **4.6.11 Managing capacity and assessing capability**

Organisations need to be able to prioritise effort and required outputs as a way of managing capacity issues. This recognises that there are limited technical resources available and they need to be effectively managed. Organisations also need to prioritise issues and allocate tasks effectively.

It is important to tailor policies and match actions carefully to capabilities. One mechanism for achieving this is to undertake a capability assessment as part of the implementation process.

#### **4.6.12 Think local**

Local knowledge can make an important contribution. There is a need to be able to identify and utilise this local knowledge. There is a tendency for organisations to automatically look internationally and overlook the value of people in the community with local knowledge.

### **4.7 Action areas outside of the regional toolbox**

The IAP project has recommended a number of actions that sit outside the regional level and are better addressed at a national level. However, it is important that these actions are identified in this report as they relate directly to the implementation of land use and transport at a regional level. The actions include:

- implementing legislative change to enable regions to manage/control land use development
- making regional planning a statutory requirement
- amending the legislation to require formal linkages between policy instruments

- identifying and analysing options to promote a national regional direction/framework for integrating transport and land use planning, funding and implementation
- requiring the demonstration of land use and transport planning integration in regional land transport strategy preparation
- amending the Land Transport NZ assessment framework to include an integration 'test' or incentives such as accelerated processing or additional funding for integrated packages
- assigning responsibility to a single agency for monitoring the implementation of regional councils' function to ensure the strategic integration of land use and infrastructure
- establishing land development agencies
- establishing an office of urban management, based on the South East Queensland model.

Given that these actions are likely to have a direct impact at the regional level it is critical to keep the regions involved in any decisions relating to the actions in the list above.

## **4.8 Summary**

This section has drawn together a range of suggestions for tools, mechanisms and approaches that would support better integration of land use and transport at a regional level. This list is comprehensive and now needs to be drawn together in the form of a regional toolbox. This is the intent of section 5.

## 5. Constructing the regional toolbox

The previous section highlighted a wide range of tools, mechanisms and approaches that could support and promote better land use and transport integration and ensure the successful implementation of policy in this area. The purpose of this section is to draw together the threads of:

- feedback from the steering group
- the elements of the toolbox as they relate to strategy development and implementation
- the development and application of the toolbox

into an integrated set of suggested next steps for Land Transport NZ.

### 5.1 Guidance from the steering group

The input from the steering group was both process-focused and tool-focused. The comments from the group as they relate to specific tools have been integrated into section 4 of the report. The comments from the steering group as they relate to the process of developing and implementing the toolbox are the focus of this section of the report. A key point made by the steering group was to remember that the tools themselves do not affect change – it is how they are developed, made locally relevant and then applied that will change behaviour and shift practice. The tools are not an end but a means. With this comment in mind, it is useful to reflect on the following key comments from the steering group:

1. There is a lack of discussion of the principles of land use and transport integration. It is assumed that everyone recognises and understands these principles; however, this is not the case in practice. Before a relevant toolbox can be applied there needs to be a clear statement on the issues that the toolbox is hoping to address and the outcomes being sought. The other critical aspect related to this, is that the issues will differ regionally, therefore, the overarching principles need to be refined for the regional context in which they will apply.
2. The regions require guidance on the Land Transport Management Act 2003, as amended. There is a lack of awareness concerning the implications of the legislation and this needs to be addressed in guidance notes. Of particular importance is the need to communicate how the provisions of the amended legislation differ from current practice.
3. There also needs to be guidance developed on how the provisions of the three key pieces of legislation – RMA, LGA 2002 and LTMA – can be integrated to strengthen the integration of land use and transport.
4. The relationships within and between organisations are a very powerful tool and a key barrier to integration – this is an area where there needs to be assistance for regions. Practitioners are seeking guidance and support on how to build strong and workable relationships, and as such would welcome tools and approaches to achieve this (including collaborative ways of working).
5. There is a lot of variance in issues and practice around the country. No one size will fit all and the steering group has suggested visiting each of the regions in order to better

understand the issues they are dealing with, what land use and transport integration means for that region, and then to work with them to develop a regionally specific toolbox.

6. Another key point made by the steering group is that it is critical that both central and local government apply integrated land use and transport principles in any projects they are involved in. In this way government is leading by example.

The steering group considered that there were three key areas of work that needed to be addressed before a toolbox was developed. These areas are as follows:

1. Articulate the principles of land use and transport integration and clearly identify the issues that integration will address. This information then needs to be made regionally specific in recognition that each region will have its own unique issues.
2. Develop guidance on the new LTMAA, in particular around implementation changes.
3. Develop guidance on how the three key pieces of legislation (RMA, LGA 2002 and LTMA) can work together to better integrate land use and transport.

## **5.2 The elements of the toolbox**

The toolbox has been structured around the proposed process that regions will need to embark on when integrating land use and transport. This process draws on the recommendations from the IAP project in that the key element of a regional approach is the development and implementation of regional policy or strategy to ensure land use and transport integration. This will most likely take the form of a growth management strategy or an urban development strategy, drawing on the approaches followed by Auckland, Wellington, Christchurch and Western Bay of Plenty sub-region. These strategies will draw on the provisions of the key pieces of legislation – the RMA, LGA 2002 and LTMA – and develop a response that is context specific.

The steering group strongly supported the need for regional strategies. They considered the development of strategies critical as these ensure that the vision and outcomes are defined. However the steering group stressed that it is **how** the strategy is developed that is critical to its successful implementation. A core element of the development process is considered to be community engagement. The view of the steering group was that if there is community buy in to the process then the chances of implementation are higher, primarily because then the politicians, senior management and staff have a clear mandate for change.

The toolbox has been scoped in order to provide guidance on ensuring that any policy or strategy development can be successfully implemented. The toolbox builds on the process of developing and implementing policy at a regional level, and incorporates a series of tips, tools, mechanisms and approaches. The basic process is as follows:

1. Understanding the legislative context that guides land use and transport integration
2. Determining the relevant regional context for land use and transport integration
3. Developing policy/strategy at the regional level

4. Implementing policy/strategy, which invariably means ‘feeding down’ to district and local levels in addition to supporting regional level strategy.

The elements of the toolbox are shown in the table below. A core component of the toolbox is the action area of capacity and capability. This is shown in a separate column because many of the tools, mechanisms and approaches are relevant to more than one stage in the process.

**Table 5.1 Elements of the toolbox.**

The process	Elements of the toolbox	Capacity and capability
Understanding the legislative context that guides land use transport integration	<ul style="list-style-type: none"> <li>• Guidance material on the provisions and implementation of the existing legislation (including the Land Transport Management Act Amendment Bill)</li> <li>• Best practice case studies on use of legislative provisions and planning techniques (including non statutory aspects) to integrate land use and transport</li> <li>• Developing a communications plan to celebrate best practice, including awards</li> </ul>	<ul style="list-style-type: none"> <li>• Developing a shared understanding – focus is on developing the understanding between central and local government of the requirements of the legislation and the outcomes being anticipated</li> <li>• Upskilling individuals with knowledge of the legislative context</li> </ul>
Determining the local context for land use and transport integration	<ul style="list-style-type: none"> <li>• The business case for integration – providing the rationale for policy/strategy development</li> <li>• Using the LTCCP to determine community outcomes that are likely to support land use and transport integration</li> <li>• Political risk assessment</li> <li>• Establishment of project agreements for multi-agency initiatives – supporting development and implementation</li> <li>• Identification and support for strategic brokers</li> <li>• Identifying possible funding sources for policy/strategy development and implementation and implementation of on-the-ground projects</li> <li>• Guidance on regional strategic alignment to maximise funding opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Developing a shared understanding at the regional level</li> <li>• Upskilling individuals with skills and knowledge to support integration</li> <li>• Contracting in skills if necessary</li> <li>• Identifying leaders and champions who can drive change</li> </ul>
Developing policy/strategy at the regional level	<ul style="list-style-type: none"> <li>• Best practice case studies on development of policy/strategy at a regional – draw on learnings from Auckland, Wellington, Christchurch and Western Bay of Plenty sub-region</li> <li>• Guidance on developing and building integrated project teams to support development and implementation</li> <li>• Nurturing and maintaining networks within and between organisations</li> <li>• Guidance on effective collaboration to support development and implementation</li> <li>• Partnership/relationship strategies –</li> </ul>	<ul style="list-style-type: none"> <li>• Secondments</li> <li>• Upskilling individuals with skills and knowledge to support policy/strategy development</li> <li>• Contracting in skills if necessary</li> <li>• Establishing an internal consultancy to support development</li> <li>• Identifying leaders and champions who can guide policy/strategy</li> </ul>

The process	Elements of the toolbox	Capacity and capability
	<p>identification of key relationships to ensure development and implementation</p> <ul style="list-style-type: none"> <li>• Establishment of project agreements for multi-agency initiatives – supporting development and implementation</li> <li>• Identification and support for strategic brokers</li> <li>• Establishing and supporting communities of practice in development phase</li> <li>• Identifying possible funding sources</li> <li>• Identification of a range of policy mechanisms to ensure implementation</li> <li>• Establishment of an information exchange to support policy/strategy development and implementation</li> <li>• Guidance of development of political risk management plans to ensure policy/strategy development</li> <li>• Guidance of use of development and financial contributions as funding source for land use transport integration</li> <li>• Consider regional coordination of development contributions</li> <li>• Guidance on integrated transport assessment</li> <li>• Guidance on development of regional spatial plans</li> <li>• Guidance on development of aspirational plans</li> </ul>	<p>development with focus on successful implementation</p> <ul style="list-style-type: none"> <li>• Recruitment and retention strategies</li> <li>• A mentoring programme with focus on policy/strategy development that ensures implementation</li> <li>• Provisions of services from consultants</li> <li>• Employment and performance agreements that support the skills and processes necessary for policy/strategy development</li> <li>• Capacity and capability assessments</li> </ul>
Implementing policy/strategy	<ul style="list-style-type: none"> <li>• Provision of additional funding or grants to those with track record of implementation of land use and transport integration projects</li> <li>• Guidance on developing and building integrated project teams to support implementation</li> <li>• Nurturing and maintaining networks within and between organisations</li> <li>• Guidance on effective collaboration to support implementation</li> <li>• Partnership/relationship strategies – identification of key relationships to ensure implementation</li> <li>• Establishment of project agreements for multi-agency initiatives – supporting implementation</li> <li>• Identification and support for strategic brokers</li> <li>• Establishing and supporting communities of practice in implementation phase</li> <li>• Establishment of an information exchange</li> </ul>	<ul style="list-style-type: none"> <li>• Secondments</li> <li>• Upskilling individuals with skills and knowledge to ensure implementation</li> <li>• Contracting in skills if necessary</li> <li>• Establishing an internal consultancy to support implementation</li> <li>• Identifying leaders and champions who can guide implementation</li> <li>• Recruitment and retention strategies</li> <li>• A mentoring programme with focus on implementation</li> <li>• Provisions of services from consultants</li> <li>• Employment and performance agreements that support the skills and</li> </ul>

The process	Elements of the toolbox	Capacity and capability
	<p>to support policy/strategy implementation</p> <ul style="list-style-type: none"> <li>• Monitoring the effectiveness of policy/strategy – including development of indicators of integration</li> <li>• Guidance of development of political risk management plans to ensure implementation</li> <li>• Guidance on planning incentives to promote land use transport integration</li> <li>• Guidance notes for multi-modal developments</li> <li>• Guidance on use of LTCCPs to deliver land use transport integration</li> <li>• Guidance on development and implementation of communication strategies to support implementation</li> <li>• Guidance on use of advisory panels during design phase</li> <li>• Guidance on use of regional parking strategies</li> </ul>	<p>processes of implementation</p> <ul style="list-style-type: none"> <li>• Capacity and capability assessments</li> </ul>

As discussed in section 3, the components of change for integrating land use and transport have been developed under the framework of enabling environment, collaborative capacity, distributed intelligence and integrative imagination. This framework assists in the development of recommendations to ensure that the toolbox is focused on all aspects of the transition in a holistic and integrated way. Drawing on the feedback it is possible to present some priorities for development of tools for the toolbox as follows:

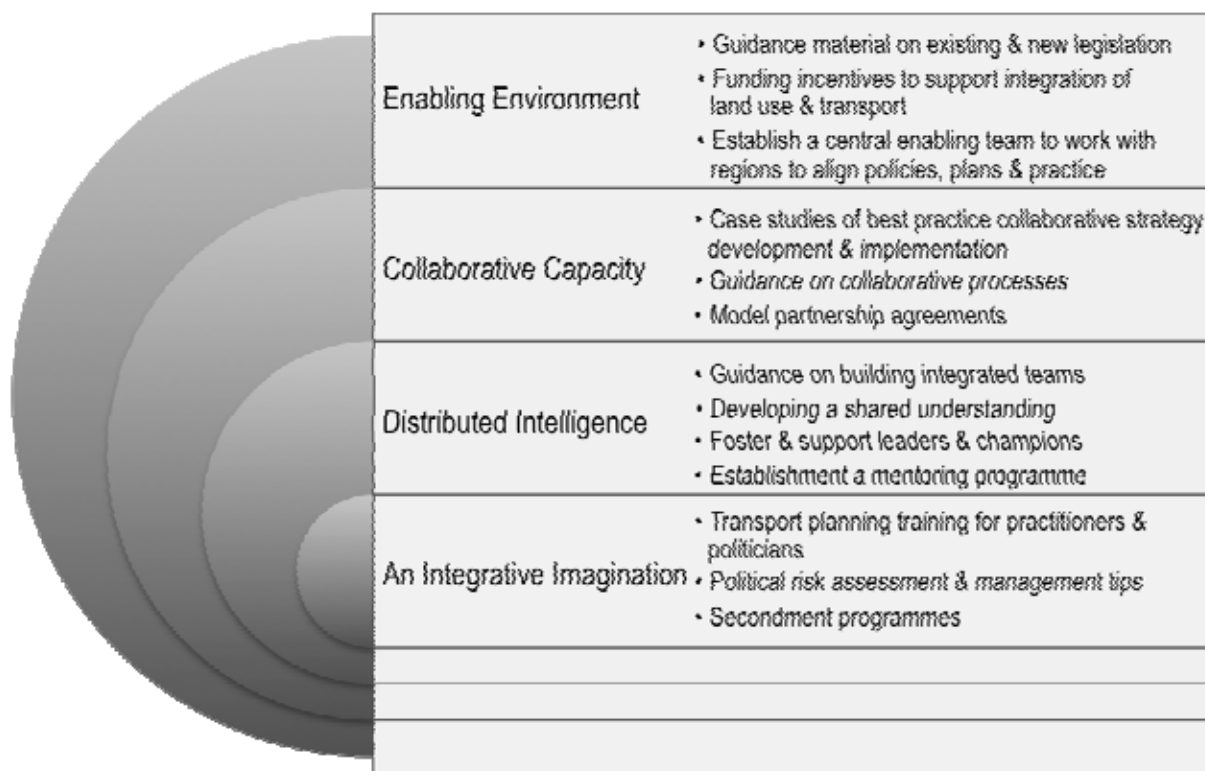


Figure 5.1 Priorities for development of tools for the toolbox.

### 5.3 Development and application of the toolbox

The next step is to discuss how to develop and apply the toolbox. The steering group was strongly of the opinion that specific toolboxes would need to be developed regionally and that this would mean:

- visiting each region and meeting with regional players (primarily regional councils and territorial authorities)
- discussing their specific issues in order to identify the context for land use and transport integration
- discussing the range of tools available
- working with them to prioritise a toolbox specific to the region.

The authors of this report acknowledge that the resourcing of this activity would be costly in both terms of time and money, but the comprehensive approach is more likely to lead to real changes in terms of addressing the key issues and developing local relevant solutions. In addition it signals to the regions that central government is committed to work proactively with them to achieve better integration of land use and transport.



## 6. Conclusions and recommendations

The main conclusion from this research is that shifting practice to better integrate land use and transport will require a range of approaches that are likely to be unique to each region. The toolbox approach will allow regions to select the tools that are most applicable for their local context.

There are, however, a number of key issues that need to be addressed before a toolbox can be further developed. The first key issue is that the principles for land use and transport need to be clearly articulated and the issues that land use and transport integration are seeking to address need to be clearly identified. The second key issue is that there needs to be guidance developed for the amendment to the LTMA that clearly communicates the changes to current practice and the implications of the new legislation. The third issue is the need to provide guidance for the regions on the provisions of the key pieces of legislation – the RMA, LGA 2002 and LTMA and how they relate and inter-relate in delivering integrated land use and transport. The final issue relates to the commitment by government to appropriately fund implementation, whether it is the implementation of the amendment to the LTMA to effectively and efficiently bring about the change that the legislation has been designed to achieve, or the implementation of the findings of this research.

This research, including the steering group input, has led to the following recommendations:

1. Prior to further development of the tool box it will be necessary to:
  - articulate the principles of land use and transport integration and clearly identify the issues that integration will address. This information then needs to be made regionally specific in recognition of each region having its own unique issues
  - develop guidance on the amended Land Transport Management Act 2003, in particular around implementation changes
  - develop guidance on how the three key pieces of legislation (RMA, LGA 2002 and LTMA) work together to better integrate land use and transport.
2. The development of the toolbox includes:
  - developing a range of tools, including:
    - i training for practitioners and politicians
    - ii case studies of best practice collaborative strategy development and implementation
    - iii guidance on collaborative processes
    - iv model partnership agreements
    - v establishing a central enabling team to work with regions to align policies, plans and practice
    - vi funding incentives to support integration of land use and transport
    - vii guidance on political risk assessment and management
    - viii guidance on building integrated teams

- ix developing a shared understanding of land use transport integration
- x establishing a mentoring programme
- xi secondment programmes
- and working with each region (primarily regional councils and territorial authorities) to:
  - i discuss specific issues in order to identify the context for land use transport integration
  - ii talk about the range of tools available
  - iii prioritise a toolbox specific to their region.

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## **Appendix A**

### **Better integration of land use and transport at a regional level: Developing a framework to understand and implement integration**

#### **Final report**

A report prepared for:

Paula Hunter

MWH

PO Box 12941

Penrose

Auckland

by:

Viv Heslop, Director

Vivacity Consulting Ltd

PO Box 41083

Auckland 1030

4 December 2007

## **Purpose**

The purpose of this report is develop a capacity building (change management) framework to help scope possible mechanisms, tools, approaches and measures that could be included in guidelines to support integration at a regional level. The framework draws together the findings and recommendations from a range of reports that have been prepared on land use and transport integration, current thinking on capacities required to support integrated implementation, and then presents some capacity building 'interventions' to support the integration of land use and transport.

## **Background**

MWH have been awarded a research project by Land Transport NZ aimed at scoping an integrated package of implementation initiatives to support land use and transport integration. The package will include a range of mechanisms, tools, approaches and measures and will ultimately form the basis of a set of guidelines developed to assist regional councils in better integrating land use and transportation planning and ensuring the delivery of successful outcomes on the ground. This project is part of the Integrated Approach to Planning (IAP) project, a collaboration between transport sector agencies and the Ministry for the Environment and led by Transit NZ. The purpose of the IAP project is to identify gaps and barriers to achieving better integration, both within and between transport and land-use planning.

It is now accepted that the main barriers to progressing with the implementation of solutions that require an integrated approach are institutional in nature. They include organisational forms, human resource skills and knowledge, processes utilised within and between organisations, and legislative frameworks. This view is supported by the findings of work to date on the IAP project that have identified the following barriers to integration:

- Some permissive planning arrangements do little to encourage integration.
- Effects-based planning does little to encourage integration.
- Land use planning and transport planning often occur independently under the existing framework – separate organisations, different legislation.
- There is a lack of a set of common goals and objectives to guide land use and transport planning outcomes.
- There is no national guidance to give direction on the common policy measures land use and transport plans should be pursuing to support sustainability outcomes. This includes national policy statements (RMA) and national land transport strategies (LTA).
- There are political and professional tensions at a regional level. These can lead to decision making that inhibits or delays collaborative efforts to address problems spanning territorial boundaries which demand long-term, integrated approaches.
- Transport planning remains strongly influenced by funding arrangements – funding and assessment processes exist that do not support land use and transport integration.

- Disparities exist in public access to decision-making processes and there are limited opportunities for the public to genuinely influence transport decisions.
- Allocation of planning functions across a range of different organisations hinders integration (Ward et al 2007).

Ward et al (2007) then suggest that the factors that are influential in fostering land use and transport planning integration include:

- establishing a supportive national policy framework
- providing a legal and regulatory framework to implement national policy
- improving institutional coordination and cooperation
- facilitating effective public participation
- enhancing knowledge and skills of planning professionals.

These factors form the basis of a holistic capacity building framework that needs to be developed to determine how they can be implemented through a range of 'interventions' to support the integration of land use and transport in New Zealand.

## **Capacity building as a framework to understand implementation**

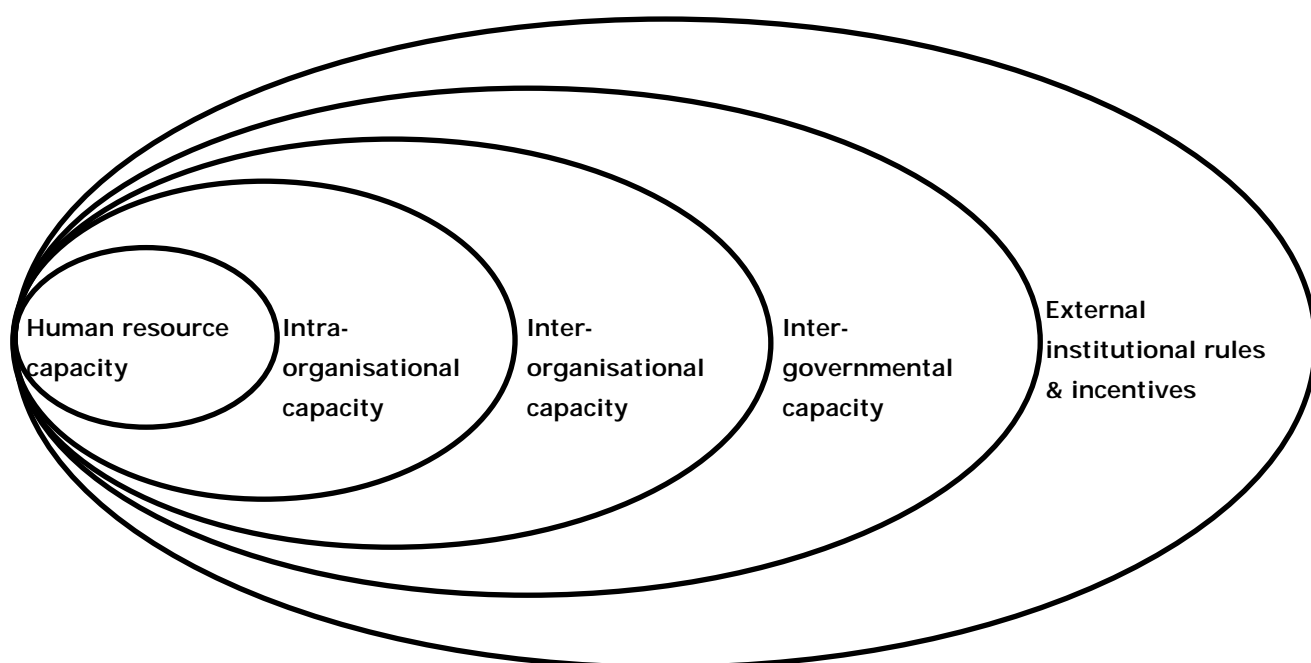
The focus of this report is on elucidating how a capacity building approach is a way of determining the interventions necessary to deliver integrated land use and transport outcomes and overcome the barriers to integration. Capacity building is about making the conditions right to achieve the outcomes being sought, but too often capacity building is focused solely on equipping individuals with knowledge. However if decision makers, managers and professionals are to operate at their full capacity, they need more than just their own abilities. They need a conducive and supportive organisational and institutional environment. Wakely (1997), in his work on capacity building for better cities, suggests that capacity building encompasses human resource development, organisational development and institutional development as follows:

- Human resource development – the process of equipping people with the understanding and skills, and access to information and knowledge to perform effectively. To achieve this the organisational environment must be dynamic and responsive.
- Organisational development – the process by which things get done collectively within an organisation (intra-organisational). The increasing demand for more flexible and responsive management styles calls for new and very different organisational structures and relationships, particularly within local government. It also calls for new relationships between different organisations (inter-organisational) that have a role of sustainable development. These changes need to be supported by institutional development as it is beyond the capacity of any single organisation or network of organisations to achieve.
- Institutional development – the legal and regulatory changes that have to be made in order to enable organisations and agencies at all levels and in all sectors to enhance their capacities. Such institutional issues generally need the political and legislative authority of national government to bring about effective change (Wakely 1997). Brown et al (2005)

refer to this area of capacity building as external institutional rules and incentives, and this is how it is referred to in this paper.

Capacity building efforts need to focus on all three spheres of capacity building. The Wakely model has been further developed by Brown and Heslop (2006b). Brown (2004) separated intra-organisations and inter-organisational capacity, recognising that capacity needs to be built at both levels and might require different interventions. Heslop (Heslop and Hunter 2007) has further developed this model to include inter-governmental, as a way of highlighting the specific capacity building needs associated with projects that span governmental boundaries – locally, regionally and nationally. The capacity building framework can be illustrated as follows:

The holistic capacity building framework



A critical element of this framework is that it is holistic and that capacity building needs to embrace all the elements presented above. A focus on only one aspect of the capacity building framework will not deliver the outcomes being sought. For example changing the legislation to support the integration of land use and transport will not in itself lead to integration. It needs to be supported by appropriate interventions in terms of processes, skills and knowledge across and within organisations and amongst individuals.

The next step is to draw on the recommendations and findings from work done to date as part of the IAP project and show how they contribute to the capacity building framework. This will indicate where the current gaps are in terms of a holistic framework for capacity building to implement land use and transport integration.



## Development of the capacity building framework

This section of the report inputs the range of recommendations from recent reports from the IAP project into the capacity building framework. The purpose of this is to see whether the recommendations address all spheres of capacity – human resource capacity, organisational capacity and external rules and incentives. The gaps can then be identified, with the next section drawing on current best practice knowledge as to which capacities are needed to implement integration.

The reports reviewed for this analysis include:

- Better integration of land use and transport: Integrated approach to planning. Phase one report (Allan 2007).
- Transport 'think-piece'. A report prepared for Transit New Zealand (Allan et al 2006).
- Integrating transportation and land use planning: A 'think piece' (Memon and Douglass 2006).
- Integrating land use and transport planning. *Land Transport New Zealand Research Report 333* (Ward et al 2007).

While some of the recommendations may support more than one sphere of capacity, for the purposes of this descriptive analysis, the recommendations have been separated into structural aspects (external rules and incentives), process aspects (organisational capacity) and skill and knowledge aspects (human resource capacity). The tables below present the findings from this analysis and are followed by some initial observations about how the recommendations to date support a holistic capacity building framework.

**Table A1 Structural aspects (external rules and incentives): The legal and regulatory changes that have to be made in order to enable organisations and agencies at all levels and in all sectors to enhance their capacities.**

<i>Ward et al 2007</i>	
	Setting national goals, priorities and targets for land transport, incorporating recognised components of sustainable transport strategies
	Introducing a national policy statement on urban form and design
	Establishing clear responsibility for and resourcing of the development of planning guidance on integration
	Introducing effective content auditing standards for transport strategies and programmes
	Amending Land Transport NZ's funding allocation process to foster integration
	Providing for more effective public participation, including direct resourcing of public participation where appropriate
	Make regional planning a statutory requirement
	Encouraging the integration of strategic and spatial planning through: <ul style="list-style-type: none"> <li>• requiring demonstration of land use and transport planning integration in transport funding procedures</li> <li>• requiring demonstration of land use and transport planning integration in regional land transport strategy preparation</li> <li>• amending relevant statutes to require formal linkages between policy instruments</li> <li>• assigning responsibility to a single agency for monitoring the implementation of regional</li> </ul>

	councils' function to ensure the strategic integration of land use and infrastructure.
	Reviewing the effectiveness of the Auckland Regional Transport Authority model and considering its application elsewhere
	Reviewing the effectiveness of establishing special transport administrative areas based on overseas models (eg the Vancouver and South East Queensland models)
	Providing for direct election of regional land transport committees to help ensure representation of public interests
	Establishing new, combined central government transport agencies
<i>Allan 2007</i>	
	Consider legislative change to enable regions to manage/control land development
	Identify and encourage best practice under existing legislation
	Monitor performance of legislative mandates and aims and consider minor changes over time, as necessary
	Consider means of better securing long-term funding and resources through agency agreements, embedded in RLTPs and LTCCPs
	Identify and analyse options (statutory, non-statutory or both) to promote national direction for integrating transport and land-use planning, funding and implementation – and to drive integration across the LGA 2002, RMA and LTMA, regardless of the particular circumstances of an area. A national policy statement under the RMA is one option to be considered.
	Develop guidance for 'best-practice' policy in a range of practical circumstances (eg region, city, town or rural area)
	Provide some focus and advice in terms of district plan practice and transport planning (eg through guidance, case studies, 'toolbox' techniques)
	Continue to develop inter-agency relationships, and specifically mandated groupings to address issues – either generic or geographic
	Review and clarify the responsibilities, relationships and accountabilities amongst relevant agencies. Make changes where efficiencies will result and/or effectiveness will improve. Considered the possibility of a national 'integrating' agency
	Consider the merits of establishing regional development agencies
	Consider possible amalgamation of small local government units (but note that transport and planning issues are unlikely to be key drivers for this)
	Review funding systems and mechanisms to identify barriers to integration and examine possible incentives that promote an integrated approach to planning
	Central and regional government should support the use of financial and development contributions as a means of local community investment in transport system at the time of development, eg in a policy statement and/or through best-practice guidelines
	Keep non-pricing travel demand management tools under review, with the expectation that they should increasingly be used to manage travel demand and land use
	Transport pricing should be kept under continuous review for its use as a tool in managing the demand for transport
	Review practice to identify effective indicators of good planning (eg integration targets) and monitoring methods which could contribute to a 'toolbox' of performance measures
	Investigate the use of incentives to promote integration during the implementation phase
	Consider an effective quality-control mechanism for RLTSs
	Investigate the role of public agencies to better attract private investment
	Identify means of reviewing/auditing implementation

<i>Allan et al 2007</i>	
	Needs to be alignment between the key documents prepared under the three pieces of legislation – RMA, Land Transport NZ and LGA 2002. The Local Government (Auckland) Amendment Act 2004 (LGAAA) requires ARTA to take into account the <i>Auckland region growth strategy</i> (ARGS) and that the Auckland local authorities give effect to, in an integrated manner, the growth concept of the ARGS. 2005 amendments to the RMA now require district plans to give effect to RPSs.
	Integrated planning and policy documents at regional and local levels
<i>Memon and Douglass 2006</i>	
	Future review of RLTSs present opportunities to re-evaluate approaches to transport issues at the regional scale. A shared understanding of the principles of sustainability, integrated planning, assessment, safety, responsiveness and consultation is important for efforts to effectively implement both the LTMA and RMA at the regional level. To ensure greater integration, the process of preparing robust RLTSs by groups of regions might also be considered – northern group focused on Auckland, a central group focused on Wellington and a southern group focused on Christchurch.
	Best and most productive interface for securing integration between the processes and the parties involved is at the stage of developing the RLTS. The process should identify, through the RPS and regional plans for transport, a preferred sub-regional land use, urban infrastructure and transport policies as an overall package. This part of the process is a regional planning exercise and should not be led solely by transportation or engineering experts. Experience shows it is best directed by experienced regional planners.
	From the perspective of developing appropriate institutional arrangements, New Zealand is on the threshold of being able to achieve an integrated approach to transport and land use planning within a sustainable development framework. However, ability to achieve integrated transport and related urban growth outcomes will be mediated by commitment of central, regional and local public sector agencies, the land development industry and other stakeholder organisations to seriously take on board the sustainability challenge in relation to land transport and urban growth and by a willingness to collaborate and trust each other.
	There is a need for the NZTS to be interpreted in greater detail in a proposed national land transport strategy to provide better guidance for formulating RLTSs. The success in integration of transportation planning rests not just on the LTMA and the National Land Transport Programme (NLTP) but also on agreed national standards.
	There is a manifest need to establish national objectives and programmes for travel demand management. In particular, the application of economic tools to both manage congestion and to enable earlier construction of selected and significant lengths of the major motorway network are an urgent matter for government to resolve in the context of a national land transport strategy.
	The government should recognise national interest in having effective RLTSs and the NLTP should include a significant financial contribution from Land Transport NZ to regional councils to enhance their professional capability to prepare effective RLTSs.
	Government funding for major transportation corridors and major regional arterial routes should only be available when regional strategic urban growth plans, approved as part of the RPSs under the RMA, and a corresponding RLTS have been agreed to by the government and all councils in the region.
	District plans and LTCCPs should incorporate policy objectives for all modes of land transport so as to implement the RLTSs and any regional plans for transport.
	In respect of the primary road hierarchy identified in the RLTS, a district plan should include objectives, policies, standards and rules for major roads in respect of the quality of the routes to be maintained and constructed within agreed road reserve widths, and the also the nature of the land uses and their conditions of access on land adjacent to such roads.
	There is a need to incorporate major future transport corridors in RLTSs and to review the future corridor purchase arrangements and designation processes to facilitate their purchase without prejudicing current NLTP and LTCCP budgeting.

**Table A2 Process (organisational capacity): The process by which things get done collectively within an organisation, between organisations and between governments (local, regional and national).**

<i>Ward et al 2007</i>	
	Actively promoting collaboration between transport agencies and the Ministry for the Environment and Ministry for Health
	Encouraging commitment to and identifying best practices for collaboration between organisations to facilitate integration
	Identifying internal organisational arrangements that achieve enhanced collaboration across disciplines
	Strengthening organisations internally through the adoption of coherent and consistent policies and commitment of sufficient resources to achieve strategic and operational integration
<i>Allan 2007</i>	
	Develop consensus and clarity on a desired vision and outcomes for integrated transport and land-use planning
	Continue to build central government inter-agency relationships, and consider means of more effectively expressing national policy intentions including national guidance (statutory and non-statutory options)
	Strengthen regional government practice in framework transport/land use planning through 'best practice' advice
	Evaluate and learn from overseas experience
	Develop best-practice guidelines with an integration, multi-disciplinary approach
	Develop a framework to raise the profile of the benefits of integrated planning
<i>Allan et al 2007</i>	
	Lead organisations (MoT, Transit, ARTA, ONTRACK, regional councils, district councils) must adopt more collaborative and integrated approaches. Transit, regional councils and district councils also need to work much more closely with key stakeholders such as developers. Greater integration between the various professions that work in this area also. Collaboration between organisations and integration within organisations and teams is critical to achieving an integrated approach to land use and transport planning.
	Support continuation of the trend for a significant strengthening of the role of regional council in strategic urban and associated transport planning. Emerging experience should be watched and best practice recognised, celebrated and emulated.
	Need for a broad and comprehensive thinking in identifying and analysing both problems and potential responses/solutions associated with transport. New Zealand can learn from overseas, but also needs to develop its own approaches. A workshop or series of meetings with a small but widely representative group of senior practitioners may be a way forward.
<i>Memon and Douglass 2006</i>	
	In view of the multiple statutes relating to land transport and land use planning, it is essential for an integration approach that inter-organisational relationships are actively fostered and sustained by officials in respective central and local government organisations, the industry and community organisations. Within each region, the input of all organisations and stakeholder groups concerned with transportation must be encapsulated within the strategy articulated in the RLTS in accordance with national and regional goals and priorities.
<i>Ward et al 2007</i>	
	Building capacity through professional development programmes that review how different disciplinary cultures operate, promote new ways of working together and build relevant skills
	Encouraging tertiary educators to incorporate opportunities to facilitate interdisciplinary activity in professionally accredited programmes (eg engineering and planning)

<i>Allan 2007</i>	
	Developed methods to increase skill levels throughout the country, at the work floor and at management level
	Support existing conferences and encourage leaders from professional groups to present paper at the conferences of other disciplines

### Initial observations

- Recommendations relating to structural aspects are quite clear – what is less well developed are recommendations for process and skills and knowledge. For example, actively promote collaboration – how? How does this collaboration need to be supported by the structural aspects (recognising that collaboration takes time and new processes may need to be put in place etc)
- Strength of wording – external rules and incentives use strong wording such as ‘actively’, ‘providing for’, ‘introducing’ but for organisational and human resource capacity issues, words such as ‘encourage’, ‘identify’ are used. This suggests that the focus is still very much on institutional arrangements, legislative context and other tangible aspects, whereas the capacity issues associated with organisational and human resource capacity aspects are often intangible and not deemed to be as important. A capacity building approach focuses on the need to consider interventions equally and also suggests that we need to start developing ways of recognising, rewarding and measuring the more intangible aspects of the work that needs to be done to implement integration.
- Shared understanding – all of the reports refer to the need to develop a shared understanding between professions and organisations on what land use and transport integration means, yet there are few recommendations that suggest how this shared understanding might be developed. An important element of a capacity building framework is that it supports the development and implementation of a shared understanding on process and outcomes.
- Capacity across all spheres – current attempts at assessing capacity and the associated intervention needs, such as legislative frameworks, are often too limited in their approach. A more holistic view of capacity building is needed to support implementation of land use and transport policies and plans.

### Filling the gaps

This section draws on current thinking internationally and nationally on the capacities required to support integration. The information is presented in the same format as above – skills and knowledge, processes and structural.

#### Skills and knowledge

There needs to greater emphasis on the process-related and ‘soft’ skills of stakeholder involvement, partnership formation, leadership development, institutional capacity development and knowledge creation and learning (de Magalhaes 2004). According to Innes and Booher (2003) the collaborative nature of the implementation task suggests that personal skills and knowledge have to be developed, including how to communicate, cooperate,

resolve conflicts and respect others, and how to build coalition infrastructure. How to treat knowledge and skills issues needs to become a key policy concern.

In the New Zealand context, Lerner and Craig (2005) support the strengthening of soft skills and see an emerging role of the strategic broker. They suggest that these strategic brokers advocate for more relational forms of practice. They have technical and sectoral expertise and knowledge of government and community networks, and spend a great deal of time building and maintaining relationships.

Having strong leadership is an essential element in progressing sustainable development. This leadership often comes from individuals but also needs to be shown by organisations. Both local and central government need to lead by example in order to build up trust and credibility (ICLEI 2004). The credible leader needs to be able to communicate about the need to integrate land use and transport to support outcomes being sought in order to mobilise change.

ICLEI (2004) suggests that creative people within and outside government are key to answering new challenges, and success in implementing sustainable development is dependent on innovation. There needs to be a climate of self-confidence so that new ideas are not perceived as threatening the usual way of doing things.

A recent report provides a useful summary of the key skills necessary for those professions involved in making and maintaining sustainable settlements. In the report by Hague et al (2006) the skills identified are mainly 'soft', people-focused skills because the authors argue that we already largely possess the technical know-how to build more sustainable communities, and it is the established routines and relationships that need to be overhauled. The document was prepared for the United Nations World Urban Forum III and the World Planning Congress in Vancouver in 2006. Specific skills include:

- innovation and creativity – difficult situations cannot be turned around by old routines
- good management of projects, finance, time and property as a fundamental platform for effective delivery of professional services
- diagnosing key relationships – enabling planners to recognise where opportunities and constraints lie and how these relate to the structures of power
- leadership – this depends on dialogue and advocacy, which require listening, eliciting answers that express deeper interests, getting information from diverse sources, identifying interests and negotiating positions
- being intent-focused – allowing individuals to marshal and leverage their energy, to focus attention, to resist distraction and to concentrate for as long as it takes to achieve a goal
- adopting a learning perspective – individuals must be learners and knowers. This means continuous testing, monitoring, learning and sharing of lessons learned

- inter-professional understanding – delivering sustainability requires individuals and professions to work together. This will require the professions to understand more about each other and determine ways of working together to enhance outcomes
- tapping the potential of local networks – implementing sustainable development is not the responsibility of one organisation. Having the ability to identify local networks and determine who should use them to progress sustainability initiatives is important
- good governance practices – leadership, conflict resolution, negotiation, and achieving effective coordination, collaboration or integration are central to participatory governance (a core element of sustainable development)
- communication skills – listening, presentation and marketing
- mediation – a means of resolving disputes. Organisational skills will be needed to ensure the process is kept on track and an environment is created for discussions, in which parties feel comfortable. Also required are cognitive and analytical skills such as understanding agendas and hidden agendas, and the ability to synthesise complex information and make it understandable
- interpersonal skills – ability to deal with difficult situations and people to think on your feet and deal with the unexpected and inspire confidence in the process
- negotiation – reaching consensus by exchanging information, bargaining and compromise. Skills required are likely to include a capacity to understand the issues that divide and unite parties, to scope the range of acceptable solutions, to communicate effectively and a willingness to compromise.

## Processes

Networks are being recognised as a useful tool to address issues that are uncertain, complex and where the solutions are not always known. According to Taylor (2002), rather than the networks being formal structures there is an argument for process instead of procedures and structures, and for informality instead of formality. Cars et al (2002) supports this view and suggest the networks need to be based on trust and reciprocity and rely on informal opportunities for cooperation and joint ventures.

The collective action nature of integrating land use and transport sends a clear signal that collaboration is a key principle. According to Berke and Conroy (2000) in an ideal collaborative approach there is a genuine exchange of needs, ideas, responsibilities and control. Sherlock et al (2004) suggests that there is a need to provide incentives for collaborative and partnership working, developing inter-organisational trust and providing organisational support. Effective collaborative efforts are the ones that pay attention to both the task and the process, where the task can be defined as what those involved have to do and the process is concerned with how people and groups work together and maintain relationships (Allen 2007). According to Allen (2007) few changes in behaviour required to implement cross-cutting practices, such as land use and transport integration, can be imposed by order or regulation. Both individuals and individual work areas are more likely to

comply with a management programme when they feel that it responds to their needs and worldview, and is consistent with their values.

Another critical element of the collaborative process is to allow for the recognition of tangible and intangible products from the process. Innes and Booher (1999) define tangible as those that can be easily pointed to and recognised – including legislation, plans and policies. Intangible includes new or stronger professional relationships, built-up trust and shared intellectual capital.

Developing a shared understanding of what it will take to implement the integration of land use and transport will require improved communication between all stakeholders. Falkena et al (2002) suggest that when people see the positive results of communication and participation they are more likely to look for cooperation in the future. Another key element is the need for stakeholders to be engaged in an ongoing learning process. According to van Bueren and ten Heuvelhof (2005) actors from different backgrounds and networks need to be able to engage in a process of exchanging perceptions.

## **Structural**

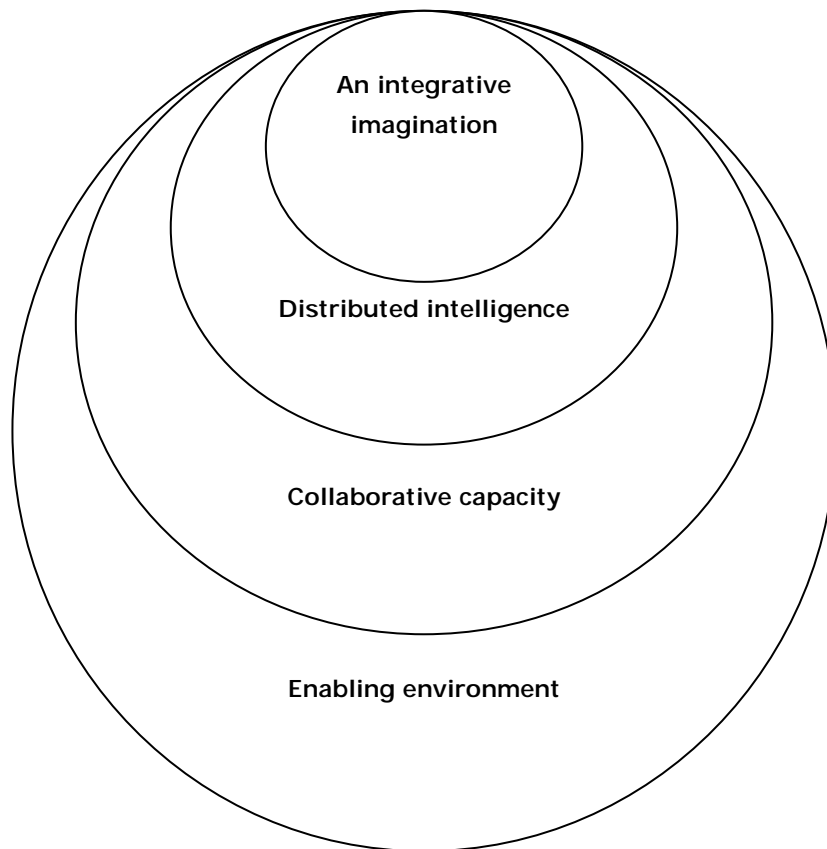
The structural aspects of integrating land use and transport have been extensively canvassed by other authors referred to earlier in this report and will not be further developed here. However, in addition to the recommendations discussed in the previous section, the external rules and incentives will need to change to support the human resource and organisational capacity issues highlighted above. Examples are allowing additional time for collaboration to happen and providing incentives to support capacity building (key performance indicators that take account for more intangible processes and outcomes, making expectations for integration clear in employment contracts etc).

This information now needs to be converted into a framework of interventions.

## **Converting the framework into interventions**

The previous section of this report has identified areas where capacity needs to be built. This section provides suggestions on how this might translate into capacity building interventions that could form part of regional guidance to integrating land use and transport. A key element of success in implementing land use and transport integration is the building of a **shared understanding** – this is one of the key outcomes being sought from the capacity building framework and capacity building interventions. For the purposes of this discussion a capacity building framework has been developed based on four key elements, illustrated as follows:





1. **An integrative imagination.** This refers to the skills and knowledge required for those who have a role to play in integrating land use and transport.

An integrative imagination encompasses ideas of integration, collaboration, creativity, relationship building and management, and learning focus – all key capacities that need to be built to support integrated practice.

The development, implementation and support of individuals with an integrative imagination requires supportive and responsive organisational processes.

2. **Distributed intelligence.** This refers to the processes within organisations that support an integrated approach to land use and transport, from policy through to on-the-ground implementation of specific projects.

Distributed intelligence encompasses the need for the breaking down of 'silos' between departments, between professions and between hierarchies within an organisation. The idea of distributed intelligence suggests that the integration task is one that requires people to determine ways in which they can work together to a common and agreed outcome.

The development, implementation and support of distributed intelligence then requires a collaborative culture between organisations to be most effective.

3. **Collaborative capacity.** This refers to the processes that support organisations working together to support an integrated approach to land use and transport, from policy through to on-the-ground implementation of specific projects.

Collaborative capacity encompasses the need for organisations to work together more effectively towards a common and agreed outcome.

The development, implementation and support of collaborative capacity then requires an enabling environment.

4. **Enabling environment.** This refers to structural aspects that will support the skills, knowledge and processes that are considered essential for the other three spheres of the capacity building framework.

Rather than focusing on the legislative context and institutional arrangements that have formed part of many other reports, the focus of the enabling environment in this context is to ensure that the capacities that need to be built for individuals and organisations are supported by enabling factors such as resourcing and time, and recognised in contractual arrangements such as employment contracts and project plans.

Some preliminary suggestions for capacity building interventions that can address the current gaps in practice include:

**An integrative imagination**

It is necessary to upskill individuals in the varying professions with the following skills:

- communication
- negotiation
- problem solving mentality
- facilitation
- innovative and integrative thinking
- conflict resolution
- relationship management
- interpersonal skills
- project management

In addition to skills, individuals will need to develop knowledge in a number of areas, such as:

- identifying key relationships
- processes that support integration – cross-council work teams for example
- inter-professional understanding – understanding about each other and determining ways of working together to enhance outcomes.

There is also the need to identify individuals that can inspire others on the need for changing practice to support the integration of land use and transport. These leaders need to be passionate and visionary and be provided with opportunities to inform and influence others.

Drawing on 'institutional memory' – there are individuals who have a

	<p>wealth of knowledge that can support the development of individuals working in organisations. Consider using these individuals as mentors.</p>
<p><b>Distributed intelligence</b></p>	<p>Some suggestions for building capacity in this area include:</p> <ul style="list-style-type: none"> <li>• Identify and support strategic brokers. These have been used successfully in sustainable development implementation projects already (see Heslop 2006a). The attributes of these individuals include technical and sectoral expertise, and knowledge of government networks. The key role of these individuals is to build and maintain relationships.</li> <li>• Use inter-disciplinary teams and decision-making committees for policy development and project delivery as this helps to build distributed intelligence.</li> <li>• Ensure that equal weighting is given to understanding and supporting how people work together and maintain relationships, as it is given to the task they are involved in (for example, increase housing densities around train stations by 25%).</li> <li>• Provide opportunities for both formal and informal networking. Many good ideas and the exchange of knowledge happen in informal networking situations – meeting for coffee, chance hallway meetings. Supporting the need to these interactions is important. This could include structured events such as seminars (focused on introducing ideas to support the benefits of integration – answering the question ‘what is in it for me?’), team building and guest speakers from different parts of the organisation.</li> <li>• Consider the use of independent project managers. The problems of working together internally – such as patch protection and historical grievances – may be overcome if the project is managed by someone who is not an employee of the organisation.</li> <li>• Recognise, establish and support the use of communities of practice. According to Allen (2007) communities of practice are networks that support skill development of those working across different departments or teams (eg people working across different projects with interests in reducing car use). These networks (which are often already in place) develop due to recognition that staff can importance their skills through interacting with others working in the same technical areas of expertise. Allen (2007) has identified some enabling factors that are necessary to support the growth of communities of practice, including to:             <ul style="list-style-type: none"> <li>- legitimise participation of staff members and if possible</li> </ul> </li> </ul>

	<p>create incentives to encourage wide participation, without overloading staff</p> <ul style="list-style-type: none"> <li>- allow for flexibility by acknowledging the self-organising nature of the community of practice</li> <li>- focus on the values delivered, not the outcomes (a community of practice supports individuals to achieve better outcomes through improved practice in their individual work areas)</li> <li>- provide for a core group of engaged people to fulfil the main leadership roles yet at the same time encourage other levels of participation in the wider community</li> <li>- provide appropriate technologies and environments for easy participation.</li> </ul> <p>For more information on communities of practice visit <a href="http://www.landcareresearch.co.nz/research/sustainablesoc/social/cops.asp">www.landcareresearch.co.nz/research/sustainablesoc/social/cops.asp</a></p>
<p><b>Collaborative capacity</b></p>	<p>The need for a shared understanding of the need to integrate land use and transport and how this might achieved is a key aspect of building collaborative capacity. Some suggestions for building the shared understanding including:</p> <ul style="list-style-type: none"> <li>• Secondments within and between organisations. These secondments might be for a specific project or might be to allow individuals to learn about what other individuals/professions/ organisations do. A core part of the secondment is that when the individual returns to their job that they need to share the knowledge and perspectives with others they work with – this will require the development of communication skills (as suggested above).</li> </ul> <p>Collaboration take time, so measures that can support collaboration are important. Some suggestions include:</p> <ul style="list-style-type: none"> <li>• Development of an information exchange. This idea came from the Clearwater Information Exchange (<a href="http://www.clearwater.asn.au">www.clearwater.asn.au</a>). The Clearwater is specifically focused at supporting sustainable urban water management and came from the realisation that there was a need to build capacity to support the implementation of sustainable urban water management. Clearwater presents training, resources, advice and referrals to facilitate and support best practice.</li> </ul> <p>An information exchange for land use and transport integration could provide up to date best practice examples, be responsible for training programmes, be the 'agency' that sets up and supports secondments, support and guide leaders and strategic brokers etc. The funding and scope for such an initiative would</p>

	<p>need to be thought through in detail.</p> <ul style="list-style-type: none"> <li>• Provision of services. Where specific gaps in knowledge, skills or expertise have been identified, an agreement (and associated funding) could be given to one or more consulting agencies, such that local government could draw on the knowledge, skills or expertise when required to feed into policy and projects. One example could be the provision of advice on best practice approaches to developing policy in a collaborative and integrated way, bringing together a range of perspectives from within and between organisations and professions, and supporting and facilitating inter-disciplinary processes.</li> <li>• Look for opportunities to collaborate on policy development and well as projects. Too often the focus of collaboration is on projects, whereas if all key stakeholders are involved from the beginning of the policy process then buy-in is more likely to happen.</li> </ul>
<p><b>Enabling environment</b></p>	<p>There are a number of important enabling factors to support capacity building, including:</p> <ul style="list-style-type: none"> <li>• Staff, resource and time – there need to be enough staff who are sufficiently resourced and have the time to allow them to develop skills and knowledge and to participate in integrative processes.</li> <li>• Develop key performance indicators that can support values delivered rather than just outcomes.</li> <li>• Best practice should be mandatory for any public project – public agencies need to lead by example in the integration of land use and transport.</li> <li>• Ensure that collaboration is a requirement for individuals – it needs to be made part of employment contracts and performance agreements.</li> <li>• Ensure that collaboration is required for projects within and between organisations – set the expectation through organisational charters or other such arrangements.</li> </ul>

## Summary

This is a first step in scoping an integrated package of implementation initiatives to support land use and transport integration. I would welcome the opportunity to meet with the project team to discuss the contents of this report in order to draw out more ideas on possible mechanisms, tools, approaches and measures to ‘populate’ the capacity building framework.

## **Next steps**

The capacity building approach is useful to help frame discussions with national and international leaders in the area of land use and transport integration in order to identify best practice across the spectrum of capacity building interventions – structural, process and skills – and how it might contribute to integrated implementation in New Zealand. The next steps are to:

1. Identify best practice examples.
2. Contact those organisations and/or individuals to discuss skills and knowledge, processes and structural aspects that supported the outcomes they are achieving in terms of integrating land use and transport.
3. Incorporate the best practice material into the capacity building framework of: an integrative imagination; distributed intelligence; collaborative capacity; and enabling environment.

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## **Appendix B**

### **Better integration of land use and transport at regional level: Managing political risk**

Prepared for  
Paula Hunter  
MWH  
PO Box 12-941  
Auckland

Prepared by  
Terry McDavitt  
Pathways Consultancy  
P O Box 9394  
Wellington

Opinions and models presented in this paper are the author's.

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## **Executive summary**

This paper injects consciousness of political risk and its management into the discussion of better integration of land use and transport planning. The paper presents models for analysing political risk, applies them to this subject, and proposes approaches to mitigating political risk. Political risk is taken to be degradation of an objective arising from the changing judgements of political decision-makers. In a democratic society it is manifest in inconsistent policy decisions and in public unacceptability.

Much discussion simply presents unreliable politicians as the centre of political risk but this paper constructs an alternative analysis, shifting attention to the factors impinging on politician judgement. Political risk arises from ongoing changes in and interactions between the:

- political characters of politicians involved
- political characteristics of the agenda involved, including subject visibility
- relative energy of affected communities, including current lobbying activity
- strength and reliability of consensus in decision-making bodies
- current political weather (current events) and predictable political seasons
- ever-changing focus and degree of intensity of public (media) scrutiny
- context of the subject in the locality, including the complexity of the relevant decision-making system
- current background political conditions, which include the political character of central government and the (possibly different) character of the political climate.

An assessment framework borrowed from the risk insurance industry is presented. This involves estimation of the relative likelihood (frequency of occurrence within the timeframe) and impact (degree of degradation of benefit) of risk episodes. Scenarios based on New Zealand examples in land use or transport politics illustrate the analysis and introduce the view that risk episodes are mostly predictable and capable of being managed differently.

Several features make this subject especially prone to political risk:

- Timeframes for interventions to be implemented and yield benefits are longer than political cycles.
- Meaningful interventions are often disruptive and lumpy; construction interventions (even public transport) and land use regulation carry high public unacceptability.
- The subjects are of high visibility, attracting the attention of contending communities, and often generate unwelcome news, attracting the attention of the media.
- Many land use-transport integration agendas have discernible political characters and politicians and communities react variously (and predictably) to these characters.

- Decision making systems are complex, and progress requires an unlikely stable concordance between bodies of different jurisdiction, interests and governance.

Such vulnerability justifies a proactive approach to assessing and managing political risk. Public bodies cannot shirk their responsibilities and must manage the risks attached. The visibility of the subject should foster public expectation of planned and consistent intervention – inaction or vacillation should be politically dangerous. Indeed the high risk and visibility of this subject could create corresponding opportunity for long political careers and stable governance, provided consensus and support is maintained, progress is demonstrated, reasonable adjustments made to changing conditions, and real benefits continuously generated and communicated.

Proposed approaches to mitigating actual political risk episodes are canvassed. Structural and legislative changes are assessed as possibly necessary in some circumstances, albeit usually introducing new risks and never sufficient by themselves to expunge political risk. Potential inclusions in a practice toolbox include:

- proactive political risk analysis leading to risk management plans for the most likely risks and a template storm management plan for actual risk episodes
- constant monitoring of political conditions and public acceptability
- developing resilient inclusive strategies
- demonstrating adjustability in policy measures in response to real conditions – there are always options
- identifying and developing a supporting coalition of politician and community allies in every political cycle
- taking account of representative criticism but always having the numbers and the allies ready
- constant communication (to politicians, communities and the media rather than to fellow-planners) of goals, options, progress, and benefits banked
- incentivising appropriate behaviour.

A central conclusion is to re-evaluate the role of politicians, to cease seeing them either as unreliable arbiters or as passive recipients of imported ideas. Rather, politicians are resident experts in local political risks and conditions, and key allies in implementation and adjustment. Respect that expertise; develop it; use it.

## **Purpose and background**

The purpose of this contribution to the integrated approach to planning series (IAP) is to introduce and examine political risk in relation to the integration of land use and transport at regional level in 21st century New Zealand. The paper will analyse political risk, apply it to this subject, and propose approaches to mitigate it, to assist implementation. The paper takes the view that political risk cannot be avoided or ignored in public sector intervention in a democracy, but should be anticipated and prepared for.

A risk is 'a scenario leading to failure or degradation of the objective' (Bensoussan and Ogunca 2005). Political risk is 'the risk of failure faced due to the exercise of power by decision-makers' (Coplin 1983). Berlin (2003) adds that political risk stems especially from *changes in* political conditions, such as changes in elected personnel, favoured policies or perceived priorities. The project or policy arose under certain political conditions and changes from these conditions introduce political risk.

The strategies of particular interest to IAP are the inter-related non-statutory regional growth strategies, regional policy statements under the RMA, regional land transport strategies under the LTMA, and long-term council community plans (LTCCPs) under the LGA 2002. Statutory documents are universal, but the additional non-statutory growth strategies and the attempted inter-relationships between strategies that characterise IAP are found especially in Auckland, Western Bay of Plenty, Wellington and Christchurch, with various overseas case-studies, notably South East Queensland. The common goal is to better integrate framework (broad and long-term) planning for land use and transport at regional level, usually with a 'smart growth' agenda. Timeframes of 10 years and more are involved in implementing either land use or transport measures, and subject issues are acute or critical (visible) enough to attract constant public and media attention especially in growth regions. The likelihood of changes in relevant elected personnel, favoured policies or perceived priorities over the timeframe is high; the likelihood of media and public scrutiny is also high. We might, therefore, expect political risk to be a theme in IAP discussion, particularly as the series has been concerned with identifying gaps and barriers to achieving better integration.

In an earlier paper, Ward et al (2007) identified these critical success factors for integrating land use and transport planning:

- establishing a supportive national policy framework
- providing a legal and regulatory framework to implement national policy
- improving institutional coordination and cooperation
- facilitating effective public participation
- enhancing knowledge and skills of planning professionals.

Subsequently, 28 action recommendations have been developed and discussed, and organised under the headings legislative, policy, institutional, funding, practice and capacity (IAP phase one report (Allan 2007), drawing on Ward et al; CityScope Consultants 2006; Allan et al 2006; Memon and Douglass 2006; Booz Allen Hamilton 2006) Strong themes in these are better practitioner practice and capacity within a more authoritative, nationally led system. Legislative and structural changes are canvassed, but political risk issues such as maintaining policy consistency or public acceptability are not prominent.

IAP discussion is not blind to political risk. Background papers highlight one manifestation in particular – the political and professional tensions between regional and local levels of government. Action recommendations addressing this carry the themes of strengthening regional practice, capacity and authority. However attention is not systematic – little is given to similar tensions between local/regional and national levels of government, though

strengthening national authority is also a theme. The most recently available summary of IAP discussion (CityScope Consultants 2007) does not include political risk in the evaluation but nevertheless is conscious of it, concluding that some proposals carry high risks.

Because political risk evaluation is not specifically in the scheme of reference so not systematically applied, lurking political risks may not be 'seen', or not fully anticipated.

Scenario 1 is a reminder that political risk attaches to every policy instrument at every level of government: A national policy framework promoting IAP and smart growth is prepared under a central government of one political character. Within the short-term, central government changes its political character. Different priorities (exports and economic growth for example) are stressed by the new government. What happens to the framework?

In contrast, as Ward et al (2007) report from international experience, political risk *is* separately identified in jurisdictions further along this path. Banister (2002), writing for ECMT, has these five framework conditions for successful policy implementation in this area, the last two of which are key political risk concerns:

- a national policy framework
- a sustainable transport strategy as part of the national framework
- decentralised powers and responsibilities for transport
- consistency in policy direction
- public and private acceptability of policy.

ECMT (2003) describes the first condition required for transport planning to meet the requirements of sustainable land use development as the presence of the political will and determination required to solve problems collaboratively.

Later May et al (2005) undertook the PROSPECTS (Procedures for Optimising Sustainable Planning in European City Transport Systems) exercise, surveying practice in 54 European cities and culminating in the production of *A handbook for decision makers*. May et al proposes this categorisation of the barriers to policy implementation:

- legal and institutional barriers
- financial barriers
- political and cultural barriers (acceptability to politicians and the relevant public)
- practical and technological barriers.

More recent ECMT publications on aspects of the subject (2007, on managing congestion) include separate chapters on 'getting the decision process on track' or 'keeping the decision process on track', ie on managing political risk.

Drawing on European literature, this is a think-piece intended to inject greater consciousness of political risk into New Zealand discussion, to demonstrate that political risk analysis can be applied usefully to anticipate and to manage political risk.

## **Analysing political risk**

The distinguishing feature of political risk is that it is the risk to project or policy arising through the changing judgements of politicians and decision makers. The cartoon picture behind discussion is of an unreliable politician (or group of decision makers) judging an agenda in an isolated room. This section presents an alternative picture, suggesting the room is not isolated, politicians may be the messengers but are not necessarily the originators of the risk, and the risk may equally lie in the agenda. Where the cartoon picture can lead to victim inertia, the alternative picture leads to anticipation and preparation.

We need a more precise vocabulary to analyse political risk but available literature is reticent. Political risk just occurs, like lightning, striking random victims. This section attempts to redress that idea by presenting a framework drawn from two models, and presenting scenarios from this subject to relieve and illustrate the theory. The more detailed analytical model comes mainly from personal reflection on experience and focuses on explaining the nature of political risk – its sources, characteristics, tempos and theatres. The insurance model comes from the political risk insurance industry and focuses on the effects of political risk, and what those at-risk can do to mitigate it.

### **Analytical model – politicians and democratic risk**

The common type of political risk arises through (not necessarily from) the changing judgements of politicians. In this analysis it is called democratic risk, as the context is democratic and judgements occur through the exercise of democracy. While ultimately voiced by politicians, democratic risk can arise from a number of circumstances, such as:

- changes in mandate, personnel or group numbers amongst the politicians
- changes in political priorities in reaction to perceived or real conditions or events
- changes in information available, one important example of which is effective public participation occurring
- changes in perceived public acceptability, seen in movements in the political climate and atmosphere
- changes in influential communities – this circumstance, lobbying, is not the same as public participation but can be just as effective
- changes in the law, relevant structures or systems, or reactions to such changes
- changed views amongst relevant politicians about priorities, sequence or pace of measures, packaging of measures, the delivery of measures – probably in response to yet more information, such as funding availability.

Scenario 2 is democratic risk arising from changed mandate and personnel. It also illustrates the risk inherent where functional jurisdiction does not match geographical jurisdiction, a situation common in this subject: A provincial regional council resolves to act on a long-agreed strategy by lifting its support for urban public transport services in the region's main city. At the subsequent election a new group, campaigning for lower regional rates, gains the majority by winning most of the rural seats. First in line for a rates cut is the proposed lift in urban transport.

The analytical model goes on to say that each participating politician, indeed every actor in politics including communities, has a political character that can be described. Political character is made up of attributes such as:

- political signature, the particular values or interests the subject promotes or aligns with. Every politician including the 'independent' demonstrates a political signature by voice and by vote. Many modern analyses don't get to this point and many historical analyses can't get past it, but signature is only the beginning of political character
- political energy, the extent to which the subject voices and actively promotes or defends their values – energy can be determined, vibrant, moderate or light
- political style, how the subject goes about promoting or defending their positions: this includes modes of behaviour – as in finding publicity (flamboyant, bold, worthy, quiet); positions on a scale of nobility (loyalty to values), or as the insurers call it, risk-appetite (heroic, noble, brave, shy); and positions on a scale of wisdom, or risk-awareness (wise, shrewd, aware, blind).

Scenario 3 illustrates risk generated through political personality: noble, flamboyant, often defeats, brave, worthy: A regionwide discussion process establishes a regional strategy that declines to include a proposed major new roading corridor upgrading access to a particular area. The worthy mayor and council agree – further growth there will require major investment in infrastructure for a council already under pressure. At the next election a flamboyant candidate trumpets the virtues of the discarded project and defeats the incumbent. The new mayor demands his mandate be recognised and withdraws 'his' council from the strategy until it's changed.

An early result of political risk analysis is to know more about the relevant political characters of the period and consequently their likely interactions and judgements. The interactions between a determined noble green, a moderate shrewd blue, and a shy light red are inadequately conveyed by describing only their brands.

### **Analytical model – agendas and intrinsic risk**

Distinct from any politician's judgement about the matter is the true public acceptability of measures being proposed. This is the intrinsic risk, the risk inherent in the agenda, and planners and politicians can be wrong in their judgements – public acceptability changes with political conditions.

All policy measures have a political signature and a level of risk in the conditions, making up their intrinsic risk. Intrinsic risk is more about potential opposition than potential support, exacerbated by a familiar feature of 'public consultation' – opponents are motivated to voice opposition but supporters not motivated to voice support. Politicians and policy professionals are instinctively familiar with intrinsic political risk, so characteristics listed below won't be new. Surprisingly though, they are seldom used to assess the likely intrinsic political risk of proposed measures and agendas:

- New or lumpier measures are riskier than familiar or incremental measures.
- More interventionist measures (taxation/pricing or regulation) are riskier than less interventionist (education or information, travel planning, communication).
- More vibrant measures (more distinctive and singular in their political signature) are riskier than more subdued or complex measures (they attract opposition).
- Measures that have a political signature that clashes with the characters of their political or public audiences, or with prevailing political conditions, are riskier than measures with more complementary political characters.

The same colour-coding is used for describing the political signature of measures, policies and agendas as for politicians and communities. This enables prediction of what happens when one presents an item of one colour-signature to a receiving environment of a complementary or clashing colour-signature. Colour-coding enables better recognition of the multi-polar nature of contemporary politics, and attempts an objectivity important in discussing any form of politics, by suggesting *all values (interests) are valid*, though not all are relevant to every subject. In land use-transport integration purple as set out below is seldom seen, but supposedly new terms grey white and yellow are certainly seen:

- Purple is for traditional and moral values and is associated with faith politics.
- Blue is a familiar signifier for those advancing commerce and growth or prosperity, private enterprise and investment.
- Grey is a new term to describe a distinct group, who favour least cost or incremental interventions, because they especially value lower rates and taxes, or sometimes, putting it more nobly, economic efficiency.
- White is a new term for the values of reason and science, management and intervention; white combines with (absorbs, dilutes) any colour except black.
- Green is a familiar signifier for natural and environmental values, for ecology and resource sustainability.
- Yellow is a new term to describe a key value-set in this subject, for local (or sector) advantage or defence; like whites, yellows are gregarious, provided the measure brings local or sector advantage.
- Orange is a new term for advancing the rights and interests of particular demographics, eg gender, ethnic, sexual orientation, disability; orange combines red (social justice) and yellow (for us).



- Red is a familiar signifier for advancing social justice and participation, social service and fairness, public intervention.
- Black is a new term more often distinguished by what the subject is against than what s/he is for – it is anti-authority, anti-regulation, anti-intervention, pro-individual freedom.
- People are rarely singular in colour and often combinations of colours. Yellow-black (nimbyism) is quite different from yellow-blue (imbyism); a blue-white-green governing body is not the same thing as a red-white-green governing body.

Scenario 4 involves lobbying by blue interests. It is normal politics for interests to look after their interests - shrewd politicians prepare for it, sometimes foster it: Real estate interests dislike proposed development limits on developable but distant land that are an element in a recently adopted regional smart growth strategy. Land prices rise and the strategy is successfully blamed for limiting land availability. The affected local council does not proceed with the strategy's proposed district plan variation.

### **Analytical model – systemic and event risk**

For completeness, two other sources of political risk deserve mention, systemic risk and event risk. Systemic risk arises from the operation of the relevant decision-making system, such as logjams between relevant bodies, appeals to court, reviews by higher parties, adverse funding decisions. Systemic risk is more likely in complex decision making environments – this subject is an example. Politician judgement may invoke systemic risk, as when one group decides to contest another's judgement through the courts, but other players, such as a community or a different level of government, can also invoke it. As opposed to democratic risk, once invoked the outcome of systemic risk is beyond mere politician judgement. Event risk covers the risk of events from outside the portfolio or context impacting on decision making inside the portfolio or context. Event risks include high-impact events like economic recessions, natural disasters, pandemics, climate change, the price of oil and local government reform. A change in central government could be seen as event risk in this context. Events change conditions and agendas for everyone.

Scenario 5 illustrates that the outcomes of invoking systemic risk can disappoint everybody: A region includes recognition of particular transit-oriented development around a development node proposed in the agreed regional growth strategy in its RPS, but does not include the related transit development in its LTCCP. The affected city council refers the RPS to the Environment Court. In the ensuing pre-hearing process, the affected part of the RPS is withdrawn, and the transit proposal and the transit-oriented development policy.

### **Analytical model – context and ground conditions**

This aspect of the model recognises that the judging room is not isolated from its surrounding time and place. Context is the state of play surrounding the subject and includes the degree of problem, its visibility to the public and the consensus history. Each subject regional growth strategy has a different context. In both Auckland and Western Bay of Plenty rapid growth is already present; congestion pollution and sprawl issues are of high visibility and concern. But scales and histories are different. Auckland's issues occur regionwide, and

have a particular history including politics and legislation, but Eastern Bay of Plenty is very different from Western, and the Western Bay strategy is voluntary and consensus-driven. These are crisis-led strategies. In Wellington and Christchurch there is more a desire to create certain kinds of growth and prevent current transport and land use problems from deteriorating further. These are desire-led strategies, with differences between them in geographical and functional scope. There are no New Zealand examples of a third (Curitiba or London) type – vision-led strategies – where a strong and successful leader or team states a vision and sees it through.

Scenario 6 illustrates one of the several risks in strong leadership, though a truly strong leader would not allow this situation to develop: A strong leader retires. Successors share the same vision but do not command the same respect. Previously unvoiced dissension breaks out and the strategy is revised.

We need more precision around ‘political conditions’, an otherwise aerial term for various swirling elements that keep impinging on the pure picture. The proposal here is to split ‘conditions’ into two components, ground conditions (pertaining to the decision-making body) and atmospheric conditions (pertaining to public acceptability and mood).

Round conditions refer to the political character of the theatre in which the decision takes place. The immediate theatre is the council, agency, group or body making the decision. This can be described by colour-coding and other attributes of political character, but in addition carries a description of ground conditions referring to the ease of gaining *and keeping* consensus – treacherous, boggy, soft, easy, firm. Ground conditions take into account the composition of the council not just the character of the mayor and leaders. Similar descriptions can apply to the state of ground conditions affecting consensus in the territory outside the theatre. Territory includes the characters of sister bodies – other local or regional councils in the area, relevant agencies. Theatre ground condition risk is not mentioned in IAP discussions though it is a very common form of risk. IAP discussion does acknowledge territory ground conditions are more likely to be boggy than firm. Beyond the territory lies the political character of the landscape, in this context central government and cabinet, and this is not necessarily firm either. As in physical life, ground conditions in political life keep changing, but slowly and episodically as compared with atmospheric changes.

Scenario 7 illustrates boggy ground conditions creating political risk. An observation would be that a process that did not anticipate (prepare for) this outcome may be legally proper but isn’t politically sound. After a difficult and protracted process reviewing options to address a major roading corridor, the RLTC agrees with the technical advice and the weight of public opinion and recommends a roading upgrade rather than a new bypass. The relevant regional-level council has always supported the bypass option and refers the recommendation back.

### **Analytical model – the public and atmospheric conditions**

Atmospheric conditions refer to the political character of the public mood at the time and changes constantly. Following the metaphor, it is possible to distinguish:

- Political weather, the events in the news (public consciousness) at the time – weather can be stormy or fine (for the subject, for the theatre), but is always present and changing; a political storm for instance occurs when unwelcome news hits the subject or theatre – storm intensity can be read from the number of letters in the paper that week. Political storms change political ground conditions.
- Political seasons, periods more appropriate for different undertakings occurring in predictable cycles - these are normal not exceptional and should be worked with, like natural seasons. The first year after election for example is ‘implementation season’, the best time for forging ahead on agendas with recent mandates, to allow their benefits to become apparent; the mid-year, equidistant from elections, is ‘budget and plan season’, the best time for forging programmes around big issues and preparing for the next implementation season; then there is ‘election season’, when tribes and colours become vibrant and it’s time to count benefits.
- Political climate, the prevailing background, seen in which issues are more dominant in public consciousness, what attitudes to them are prevalent, which measures are acceptable to the public to what degree. Our political climate has become greener this century, but political climate keeps changing too, albeit on a slower cycle – in the 1930s it was much redder, in the 1950s bluer, and in the 1990s greyer, than it is now. Events express and change political climate.

Scenario 8 is classic political risk, involving a storm of public unacceptability upsetting a boggy council. A risk management approach would ask questions like what measures were taken to address the bogginess, why was this proposal put forward at this time in this form, why is this particular public so influential, where were the allies, what adjustments were considered?: A regional growth strategy, the regional transport strategy and the relevant councils agree: a bus lane network in the main city is a priority. The first proposal requires the removal of customary but informal on-street parking for some residents. Affected residents organise, gain media attention, swamp the local paper with letters, send delegations led by young mums, start a petition. The council majority withdraws the proposal – and the policy.

### **Insurance model – proactivity**

Most international literature on political risk is about grand event risk rather than the ordinary business more representative of this subject seen in the scenarios. The literature concentrates on the consequences for recipient major industries, such as oil, gas and energy, and the risk discussed involves expropriation, terrorism, civil disorder, regime change, local corruption and relations with varying regional warlords.

The discipline has developed risk assessment measures and tables (by industry, by country) used especially for calculating political risk insurance premiums. The focus is the risk to the investor, the investor seeking compensation for loss of a calculated profit. Certain companies specialise in this form of insurance, covering their costs by spreading risks and calculating that most of the time in most of the world unpredicted drastic events don’t happen. Amongst

the exclusions, evidence of failure on the company's part to comply with proper local regulation – environmental, taxation, labour rights – cancels the insurance.

Just as ordinary insurers insist on the insured having adequate security measures in place before compensating for loss from theft or fire, so political risk insurers insist on the vulnerable company having proactive mitigation measures in place before considering compensating for loss from political risk. These are central to managing political risk and this paper returns to them later.

In the insurance setting but not in ours, there is a tangible benchmark, calculated profit. The benchmark generates a readily understandable measure of impact, from low-impact events that reduce profit to an acceptable degree, through medium-impact events that degrade but do not cancel profit, to high-impact events that cancel profit.

Also in the insurance setting but not in ours, at least one actor (the insuring company) is reasonably stable. The insurance model tries to manage extra stability into the equation by insisting that the investor at risk pre-calculate their level of risk aversion (or risk-friendliness). What is an 'acceptable' degree of profit degradation? At what point will exit or adjustment plans be triggered? Only the investor can decide such matters, and *before* entering insurance, the investor must decide. (There are lessons for our sector in there.)

The main sources used for this section (Bensoussan and Ogunc 2006; Berlin 2003; and Coplin 1983) agree that political risk cannot be quantified, only estimated. Estimations involve probabilities of events occurring in the timeframe of interest. The familiar risk table below involves three levels of probability, low-medium-high frequency of event in timeframe, times a similar three levels of impact (or cost), generating nine categories or boxes:

COST	7	8	9
Hi	Hi Cost-Lo Prob	HiCost-MedProb	HiCost-Hi Prob
4	5	6	
Med	MedCost-LoProb	MedCost-MedProb	MedCost-HiProb
1	2	3	
Lo	LoCost-LoProb	LoCost-MedProb	LoCost-Hi Prob
<u>PROB</u>	Lo	Med	Hi

Practice in the industry (Bensoussan and Ogunc 2006) is to accept box 1 (Low), mitigate and insure against Boxes 2, 4 and 5 (Medium), and avoid boxes 3, 6, 7 and 8 (High). Box 9 risk is uninsurable. Depending on the risk-appetite and risk-history of the investor, the degree of profit at stake, and especially the degree of mitigation measures in place, the accept-but-mitigate area may expand further into Boxes 3, 6, 7 and 8, but this is at investor choice and carries a premium.

## Political risk and integrated planning

Integrating land use and transport strategies at regional level in contemporary New Zealand sits in a context surrounded by political risks of medium-high probability (frequency of occurrence in the timeframe), and impact (potential to degrade expected benefits and policies). In insurance terms, this is Box 6, 8 and 9 territory, areas that risk-shy investors would be told to avoid, even with mitigation measures in place. Over the next 10 years:

- it is highly probable that some or all the politicians involved will change personnel and/or character
- it is highly probable ground or landscape conditions will change at least once
- it is likely (of medium probability) that political climate will change again; highly probable that there will be several storms around the subject
- decision making, review and funding systems are risky, and any actor can trigger these systemic risks at any time.

At base, linking planning for land development and protection and planning for infrastructure, especially transport as the carriageway of most infrastructure, is unremarkable common sense that should appeal across the political spectrum. The political risk arises at the next step, when a desired form or outcome of integration is chosen. It is the choice of form that's political not the pursuit of integration. *All* choices have political signatures; *all* political signatures advance some interests above others. Subject strategies in New Zealand tend to express 'smart growth' models, probably because they focus on growing urban areas. The political signature for smart growth is discernibly white-green-red (science and management-driven, towards resource sustainability, via authoritative public intervention and investment), with yellow moot, little blue or grey and no black. But land use-transport integration does not have to take this form – an industry or port-promoting, private-public partnership model is just as much land use-transport integration, albeit blue-grey-yellow in signature. The association of land use-transport integration with a distinct political signature is intrinsically risky, complicating the riskiness of the subject by spreading the risk to the concept itself. ('If that's what it means, I'm against it.')

Underlining this risk profile is the very risky regional domain, sitting between two vigilant and independently active domains and with jurisdictional areas only sometimes contiguous with problem areas. Regional transport planning at least for main or strategic routes is accepted in most regions as a proper function for the regional level given the virtual co-management forum of RLTCs, but land use planning even at framework level isn't, and has no equivalent forum. Land use always has a local address first, local impacts, and legitimate local interests and communities. Land use judgements also often involve stark choices between competing values, situations in which collaborative well-intentioned good practice amongst planners is insufficient mitigation or insurance.

Scenario 9 is a classic land use and local vs regional conflict originating outside collaborating officers, involving blue, yellow and green interests in contention: An employment-generating tourism development is proposed for an area identified as significant landscape in the RPS and the 'smart' RGS. The local council, keen to promote tourism, perhaps with a mandate to do so, supports the proposal. Noble affected neighbours refer the local decision to the Environment Court, citing the RPS and calling in the regional council.

Subject visibility further complicates the risk. The subject involves actual and acute problems that most residents and communities experience daily for which one minor accident somewhere can cause unexpected and newsworthy gridlock, or it regulates the options available for basic questions in adult life – where do I live, work, shop, play? Improvements from intervention are marginal, isolated, take a long time to become apparent and often bring disruption in the meantime. The agenda includes lumpy, new and occasionally radical measures, some of which are of high vibrancy, attracting predictable opposition from predictable quarters.

May (2005) observes that politicians may be permitters but planners are the writers of the strategies that integrate land use and transport, and planners 'are less aware of political risks as they are remote from politicians and the public'. The following table from the Prospects exercise may help alert planners to the degree of political risk involved with common measures. The table records levels of political constraint (unacceptability) for measures in 54 European cities in 2004-5. Sixty measures are tested, from densification through transit development to integrated ticketing, grouped into seven headings – the table gives results for the headings. While the European context is different and the testing is of ideas rather than proposals, the content is familiar, and, in a democracy, should give cause for reflection:

**Table B1 Levels of political constraint on land use and transport measures (Prospects 2005).**

	Major constraint %	No constraint %
Land use measures	42	10
Road building	52	15
New public transport infrastructure	42	18
Traffic management measures	26	22
Public transport service improvements	10	20
Information/ticket improvement	2	74
Road pricing	60	10

### Insights from the insurance model

The drastic world of political risk insurance is of a completely different order but offers constructive insights. First, the industry deals with private sector investors who *have choices* over whether to enter or exit or not, and over their appetite for risk or adjustment. Our context involves public sector intervention in which the bodies *have responsibilities*. They have a mandate to act, a defined field to act in, and no choice but to accept and work

through (or shy away from) the risks presented. Investors may but responsible bodies cannot walk away from critical states of congestion and pollution in their jurisdiction.

A second important difference is that the private sector has the precise tangible benchmark of profit to guide its decision making, This subject, at least the transport component of it, has the somewhat-equivalent benchmark of benefit, and while political risk may prevent total benefits from being achieved *incremental benefits can be banked*, progress can be counted and publicised. Benefit occupies much the same role in public sector intervention as profit does in private. Accepting that benefit is a much less precise and tangible measure it is still striking to observe that benefits of land use transport integration are *not* clearly communicated. A useful step for IAP to prepare for political risk would be to introduce clarity around the benefits expected for the recipient public – ‘reduced congestion and pollution, reduced time and distance, increased choice, reliability and sustainability’?

A third difference is that individual risk events in this subject while more frequent, are also more likely to be in the medium range of impact, degrading benefit rather than cancelling it. The inserted scenarios are illustrative – all these events can happen, probably will happen somewhere within 10 years, but they need not overturn whole strategies. Risk events are likely to target individual measures than whole strategies, though there is definitely a risk of whole strategies and the concept itself being overturned after a succession of storms. Even if the strategy or concept is overturned robust elements should survive into the next evolution. In the public sector all is never lost, though time is frequently lost.

An important insight from the private insurance world is that the subject provides *as much opportunity as risk*. In the private sector the big gains are made where the big risks are: risk is opportunity. The very visibility of this subject can and should generate public support for action and once a clear path is stated, expectation that the path will be followed. In such situations vacillation should be riskier for the politician (and council) than consistency. Indeed the very riskiness of the subject creates opportunity for a bold, noble, shrewd politician or team to plan long careers around, and that is another possibility.

A final insight from the private sector is the different emphasis put on adjusting plans in response to political changes and events: the insurance industry expects adjustment. The goal (profit) of course remains the same, though it may get adjusted, along with the premium. In this subject and in the public sector generally, adjustment in response to changing or adverse conditions is a tortuous business bringing disdain and a few inquiries from above. Risk management often requires adjustment, but our public sector tends to see adjustment as defeat. The real question is when does adjustment turn into exit? The suggestion here is to use a resilience test. The resilient tree may bend or sway in different directions as storms require it to but still stays put in relation to the ground. Strategy goals and benefits should be resilient, projects and measures adjustable. Adjustment occurs within a framework, it doesn't mean the framework is versatile beyond recognition. Adjustment occurs when a body alters:

- pace, sequence, packaging or location of projects or measures

- footprint, design, scale and probably costs of projects or measures
- implementing method or agency for projects or measures
- projects or measures themselves, adding new ones, dropping redundant ones.

### **Timeframes and their effects**

The insurance industry calculates probabilities inside a definite time horizon and the horizons are relatively short because political conditions keep changing and new conditions require new calculations and new premiums. Timeframes for this subject are longer, and a first difficulty is that there are too many different timeframes. As elsewhere, it helps to have a common vocabulary. Current legislation includes another attempt to regularise this. Drawing on that, and on May et al:

- Short-term means the next three years, from now to 2010. Three years is one triennium, the longest period ground and landscape conditions can stay stable. It is one rotation of political seasons, so is fitting to accommodate in one 'plan'.
- Medium-term means 10 years out, ie now to 2018, three cycles and changes from now, the period the new legislation establishes as suitable for a 'programme'. A programme is or should be three distinct plan periods.
- The short-to-medium term is the next seven years, out to 2015, a period which it is quite reasonable to plan for while also planning for stability in ground conditions (effectively, re-election). At the moment most current LTCCPs and many programmes expire around this time.
- Long-term means beyond 10 years, up to a specified number. The just-published sustainable transport document sets targets out to 2040, so following that, long term is 2020 2040, from 10 30 years (one generation) away.
- In the long-term, changes and counter-changes in conditions and responding revisions of plans and programmes become so numerous that programming becomes meaningless in the sense of providing for this to happen, then that.
- Programming is not meaningless though in the sense that in order for it to happen at all then this preparation needs to happen sooner. Given the long gestation period of most measures in transport and land use, it is usually necessary to take any programme through to its long-term outcome in order to communicate its intentions at all. This is the area of aspirational ('beyond 10-year') programmes. Aspirational programmes are not provided for in our system, but they are necessary to communicate strategic intention to the highest of all authorities in a democracy – the public. Having communicable strategies (aspirations) is one part of managing political risk, knowing that they are aspirations and not programmes is another. May et al and European practice suggest 20-year aspirational programmes as well as shorter-term plans.
- Beyond 30 years lies the unknowable very long term, the domain of visions. Unfortunately, in this subject choices made now or in the short term yield their main consequences in the very long term – as Auckland's transport infrastructure decisions of the 1960s and 70s which are now impacting make clear.



This paper uses 10 years as the relevant timeframe for considering political risk, an assumption that introduces some pessimism. Because political risk arises from changes in conditions over a timeframe, 10 years involves a high probability of at least one adverse change. Of course not all change is adverse – some can be benign, and political risk management seeks to turn known changes into opportunities too. But taking into account not one change-cycle but three makes it increasingly likely that one of these changes will be adverse. Nonetheless 10 years is a minimum period for better integration of land use and transport to take effect, fits programming and local government planning cycles, and is a compromise between rate of change and rate of effect.

An abiding fear planners have of politicians and political risk is to do with timeframe perception, especially ‘the temptation to favour projects with short-term results over those whose effects will only become apparent after the current administration has left office’ (May 2005), term myopia. From a political risk point of view short-term results should not be disparaged: they are benefits that can be banked to assist the long term. What is being presented as an either/or question need not be – risk management should see it as a both/and opportunity. Any shrewd political administration will be expecting and planning to be the next administration too, so needs longer-term measures in train to underline this point. LTCCP (really, medium-term) planning encourages slower administrations to think along similar lines. Rather than despairing over short-term political cycles, work with them – advance measures during the implementation season, prepare for the next implementation season, count and publicise benefits during election season.

### **Political risk in IAP recommendations**

As reported in CityScope Consultants (2007), recent discussion has identified risks in the action recommendations emerging from IAP phase one but the discussion did not include political risk as such. The following presents an initial assessment of political risk (only) in IAP recommendations. Some recommendations identified here as riskier have been assigned a lower priority, perhaps because of sensed political risk, and some recommendations identified here as helpful already assigned a higher priority.

The following IAP recommendations carry medium-high political risk:

- 1A, legislate for regions to manage land development – high risk of unacceptability, uncertain practicality, introduces new risks, unclear what ‘manage’ means
- 1D, embed long-term funding agreements in RLTPs and LTCCPs – medium risk, of doubtful effectiveness as such agreements cannot hold long term
- 2A, develop a shared consensus on a desired vision for integrating land use and transport - medium risk there is no such consensus, or if one is developed (by whom?), it is not shared unless legislated
- 3C, consider establishing regional development agencies – medium risk, introduces distracting new risks, but could be helpful in rounding out strategies
- 3F, consider amalgamating small local government – high risks for small benefits, though depends on context; can’t quell legitimate local interests

- 4C, support financial or development contributions for local investment in transport – useful for implementation, but a medium risk that such contributions won't deliver as intended, can present tools do the same job?
- 5C, consider content quality control (audit) for RLTSs – risky planner or centralist trespass into actual local politics, of doubtful effectiveness, more subtle tools can do same job without the same risks.

The following IAP recommendations are helpful to political risk, by mitigating or forestalling later political risk:

- 1B, promote best practice under current legislation
- 2C, provide guidance for different contexts
- 2D, provide 'toolbox' advice for district plan and transport planning practitioners, and see comments below
- 3B, develop inter-agency relationships and mandated groupings
- 3E, strengthen regional government in framework planning practice – though this carries some of the same risks as 1A
- 3G, learn from overseas – though beware of different contexts
- 5A, identify effective indicators and methods for toolbox
- 5B, investigate incentives to promote integration
- 5D, investigate private investment; better still is the new recommendation 'to involve the corporate and private sector throughout'
- 6A, develop profile of benefits of integrated planning
- 6B, increase skill levels of practitioners, but see comments below.

## **Managing political risk in integrated planning**

### **See the risk, confront the risk**

Central to management of any phenomenon is prior knowledge about it. Political risk analysis, comprising initial assessment and some monitoring, is a feature of practice in the private insurance industry, but little-known in the public sector where one might actually expect it to be a preoccupation. It is not absent as it often lurks in discussion, and is certainly the topic of hidden discussion, but this treatment is random and incomplete, likely to go unrecorded and can lead to blindness to whole areas of risk, especially if the participants are 'remote from politicians and the public'. The more systematic approaches seen in the analytic and insurance models do not guarantee full knowledge, but should forewarn participants of most likely risks and impacts.

Analysis and assessments of political risk may be interesting, but they are not the utility of political risk analysis. The utility is to manage potential and actual political risks, to assist implementation to save benefits from degradation or cancellation. Borrowing from the insurance model, this is carried out in risk management plans detailing the why, what, how,

when, where, and who of implementation. For public sector politics in particular there should also be 'storm management plans' advising who does what when in a storm event. It is important to realise that assessment of a measure as carrying medium or high political risk, does *not* mean 'don't go there' – that is political judgement, to be made by politicians; it means rather 'if or when you go there, go carefully and attend to this and this'.

There is a separate discussion around attitudes to political risk, especially on the differences between nobility and wisdom. A summary is that the two really foolish positions are complete lack of wisdom or blindness, on the one hand, and complete lack of nobility or shyness descending into petrification in the face of risk, on the other. Just as this paper seeks to redress blindness, so it seeks to redress shyness. Political risk in this subject *can* be managed; risk can be opportunity, change does not have to be adverse.

### **Politicians as experts, allies and opponents**

By far the most important actors and allies in managing political risk are politicians themselves. Notwithstanding the customary disparagement of and disrespect for politicians, most politicians and certainly most local and regional government politicians enter office with some attachment to their values, some bravery – one has to be brave to stand in the first place, and some skill – one has to have some skill (eg ability to make connections with community networks) to get elected. They are there to make some difference, not to make up the numbers. The difference they wish to make can be read and may or may not be helpful to particular agendas, but it is still a difference.

There is a need to change attitudes to politicians, away from the idea in the cartoon picture that they are a hopeless case of arbitrary vacillators towards the idea that they are actually experts in their field, and their field is reading, adjusting to and judging relevant political conditions and risks. Politicians don't necessarily know more than advisors, but they do know different, and the different things they know are relevant. The IAP recommendations assessed above are an interesting example – it is striking that whether they are about good practice or collaboration or capacity they are all aimed at practitioners, professionals, officers *only*. Politicians go entirely unmentioned, yet the field requires politicians too to be aware of and skilful in practice and collaboration. To the extent the cartoon picture of political risk is even stereotypically true, just as much attention should be going into reading and preparing the politicians as goes into reading and preparing the agenda. IAP recommendations would be more effective if politician capacity was considered alongside staff capacity.

As noted, it is highly likely that shrewd and wiser as well as brave and nobler politicians will see opportunities in the present subject and emerge as allies or even champions. These invaluable people should become the resident expert political risk analysts, and their expertise valued. Wise is better than noble for this role, but the temptation will be to choose the noble (strongly committed to the agenda) over the wise (able to see risks around corners). Unfortunately, allied politicians are not necessarily competent politicians, but a strategy without competent allied politicians is in trouble. Allied politicians need special attention, including for the nobler some introduction to the idea that not everybody sees things their way, and the other views are valid (for those that hold them). Otherwise there is a danger of

creating an 'echo-chamber', in which everybody in the room is of much the same political signature so they echo each other, unaware that outside the room sits a public that has different and more testing questions.

There is also the question of how to manage unwelcome messages from unsympathetic (and possibly competent) politicians. To the political risk analyst these are not threats, but gems to work on. They express views that are real, and need to be taken into account – how valid, why now, is the view misinformed and can it be informed in which case how and when, how many people support this view, which people, what state of energy are they in? After such analysis the resident allied politician may come back and say this is a helpful warning, and this is what we do about it. Every unwelcome message from a politician should be analysed, not left hanging. By definition, it is representative.

At bottom in democratic politics there is a numbers game determining pro-tem winners and losers. Though voting may be rarely invoked it is always a possibility, and competent politicians should be able to tell with reasonable accuracy what the numbers are at any given moment, and not be surprised by defections. Not having the numbers ready when a number-game is called is political catastrophe, an event of such high impact that it should be addressed in the first risk management plan. Some unwelcome statements are not about representation at all but about influencing current numbers and potential defectors. That is a storm warning, requiring storm management (standing firm on the goal-line, calling in the coalition, or possibly – if there is a valid point in there - adjusting.)

### **Risk management plans**

Instructively, the political risk insurance industry doesn't merely recommend, it requires evidence of risk management practice from potential victims of political risk. Potential public sector victims should not be doing less than industry expects (Bensoussan and Ogunc 2006):

- assessing and identifying likely risks
- active monitoring of the political risk environment
- alliance-building at the beginning and constantly thereafter (includes for this subject coalition-building amongst relevant colours and communities)
- publicising evidence of benefits banked
- demonstrating common, good or best practice for the context
- having high-quality (multidisciplinary) teams in place for vulnerable areas
- having risk management plans for known risks
- demonstrating adjustability in approach
- taking steps to manage the profile of the subject/strategy
- having storm management plans prepared.

A common way of managing high-impact political risk, especially in fairly centralist New Zealand, is to over-rule it by inserting a higher authority or higher document (legislation) or, as inferred above, invoking the rules when one has to. These methods need to be part of

the arsenal of course, but tend to be reserved for knotty or menacing risks and may not always be available. They carry their own risks both at introduction and in operation. For the more frequent ordinary risks, ordinary processes and politics are always available. This is another area where the resident allied politician has the most appropriate knowledge of what to do and when and how to do it. But they require preparation – it's not much use 'calling in the coalition' if there isn't one or the previous one has withered. A particular issue that will arise in frequent medium-impact events is adjustability, especially whether, what, and how much. It would be helpful to later political risk management if the IAP guidelines and toolboxes could include more about adjustability, as the surest way of defusing many risks is to adjust to the conditions. Too great an attachment to the details of plans can lead to brittleness, wherein you lose the tree for the sake of a branch.

### **Developing resilient strategy**

This is the area of managing the intrinsic risk attached to the agenda or policy measure. Realistic current assessment of local public and community acceptabilities of policies will be a start. This assessment should come from communities, not from planners or politicians. Planners see what is desirable not what is desired; politicians have their coloured glasses on. Managing intrinsic risk requires preparation and adjustability, prior risk assessment, appropriate response to it, and some plan of what to do if the risk materialises into a storm. For known risky areas, the earlier advice applies – it's not 'don't do it' it's 'if you do it, do it carefully'. Even very risky measures can be carried triumphantly – see the case study of London's congestion pricing; or if adjusted, eventually – see the case study of Stockholm's. It helps to have a 'Plan B' ready beforehand – perhaps even a B1 and a B2. Plan B usually involves acceptable adjustments in time, place, packaging, severity or sequence. If the risk materialises and becomes overwhelming, insert your own Plan B rather than have someone else's thrust upon you.

The most efficient place to handle intrinsic risk is in the preparation of the strategy itself, especially ensuring that public and politicians are involved in the initial sign-up. Accepted qualities of a desirable integrated strategy include that it is focussed (targets real problems, brings real benefits), monitorable, effective, programmed, supported. To these we should add resilient (to political risk). A resilient strategy:

- emphasises its science and method over its content, its goals and benefits over its measures
- is not singular in political character but complex, with sufficient measures to appeal to all relevant supporting characters
- is adjustable to political conditions without losing focus
- includes affordable short-term measures that are incremental and bring bankable benefits as well as larger lumpier measures
- recognises risk where it exists and does not shy away from it.

The first two bullet points might cause dissension amongst planners and some illustration may help. It is a noticeable peculiarity of subject New Zealand strategies that with the exception of Wellington's which has a different focus, they do not include measures by which the corporate or private sector can participate either as investors or as co-managers or even

as reference groups. Instead this crucial and knowledgeable sector is usually present only as recipient (victim) of measures. Even when it comes to development contributions the sector seems left out of the relevant decision making and co-management. The contrast with South East Queensland is noted, and it is not a matter of different constitutions, it is a matter of policy preference. It is also noticeable that South East Queensland delegates large swathes of planning implementation to local councils (within a framework) where New Zealand strategies – Christchurch and Western Bay excepted – and IAP tend to concentrate both framework and responsibility at regional level. In political risk terms, these are opportunities not taken to reduce risk by involving blue and yellow interests inside integrated planning. Instead these interests are pushed outside, and can be expected to have the same attitudes as anyone else pushed outside. That makes the strategies much less resilient to political risk, as they have lost half their possible allies. Inclusive strategies are more resilient because they have more allies, and risky strategies need allies.

### **Engaging communities**

It is odd that a subject that depends so much on changing public acceptability does not do more to measure and monitor public mood, or to acknowledge that critical episodes like politicians making a judgement always factor in perceived public mood. Public support is crucial at the beginning and throughout the operation of integrated strategies, especially in risk management plans and storm events, but little seems to be done to install it or retain it. One cannot assume that a strategy that received a mild tick in a public consultation exercise two or three years ago has current public support. Conditions have changed.

There is another discussion around ‘the public’ and how indifferent it may appear. A summary is that sometimes there is an aroused and ultra-powerful public that overrules everything, including governments and legislation, but usually there isn’t. Instead usually we have a crowd of active communities, the groups, residents, individuals, letter-writers and representatives who continually voice their differing interests in and opinions on the particular subject. Communities of course have readable and changing political characters too. Relevant communities are readily identifiable (some are already involved through RLTCs), and can be critical resources in proactive risk management. It is preferable to engage with all communities, even the unwelcoming. The current preoccupation of an unwelcoming community is a good indicator of the content and intensity of the next storm. Communities can rouse the public, start or intensify storms, and pretend to be the public but are not the public. The sum of community concerns, directions and energies is as close a measure of public mood as one can get outside major events like elections and hurricanes, and analysis that omits one community is that much less accurate.

There is a further discussion around consultation and its various forms, phases, strengths and weaknesses. A summary for the present subject is that if you want useful intelligence for political risk analysis from the exercise you don’t consult, you engage. As distinct from consultation, engagement involves dialogue, recording what subjects actually say (especially codewords) on subjects they want to talk about. What they offer without prompting can be more significant than what they offer on the given agenda. Engagement is about listening to and recording, not about talking to and ticking boxes.

Earlier, the news media were identified as the surest chronicle of the presence and state of storm events, and beyond that the political weather and climate. Their role goes further - in many council meetings there may be nobody from the public present except a lone media rep, but s/he is 'the people's spy', and politicians know it - the meeting might as well be held at the local stadium with free entry. But the media's role doesn't go as far as the media likes to think - the media too pretend to be the public but are not the public, indeed they have their own agenda. Political risk management practice always includes attention to the media, just watch politicians in action. The lack of attention to the media in IAP discussion is noteworthy - there's a gap to be filled in the good practice manuals.

### **Structural changes**

IAP recommendations and discussion carry two themes, a structural change approach and a good practice/collaboration approach. As noted, systemic risk (decision logjams in a complex system) is a particular risk feature in this subject, and for high-probability high-impact risk scenarios structural and legislative change will be an appropriate response, especially if the context is critical and time matters. Whether such circumstances apply in this subject, or might apply in Auckland is a political judgement. It certainly helps that judgement if most participants agree there is a need for change and agree on the changes proposed. But even widely supported structural change carries its own risks:

- Legislative change takes time and, in an MMP environment, may not deliver what was intended.
- Structural and legislative changes are as open for opponents to use as for supporters - it cannot be assumed that future bodies will always be sympathetic.
- It is not a given that the new structure will be workable, effective, and without its own systemic risks.
- Such changes open the door to further structural changes, an idea with uncertain outcomes in contemporary New Zealand local government.
- There is a danger that structural change becomes the only response to problems and other required changes, eg behavioural, are not made.
- Especially, structural changes don't and can't expunge the political risks. They're still there, playing in a different theatre.

Competent politicians can make poor systems work most of the time, but incompetent politicians can't make even sound systems work. More effective than either would be competent politicians working a sound system of course, but in a democracy there will always be checks and balances of some sort. By itself, structural change can never be a sufficient response to political risk, politician capacity and behaviour is at least one other area to be acting on. As an example, one of the features that makes New Zealand's IAP particularly weak is that it is a voluntary regime with mainly moral incentives to co-operate and disincentives to withdrawal. (It would be easy for a competent unsympathetic politician to gain local prestige by withdrawing from a 'cabal of collaborators', for instance.) It seems odd that the halfway step of incentivising appropriate behaviour (which also means disincentivising inappropriate behaviour) is not contemplated even in IAP discussions to date. Local government has always responded adroitly to incentives and there is no reason to suspect this tradition has been

lost. Noting that the MOT's recent sustainable transport document already promotes "integrating land use and transport planning", there may be justification for bringing out the incentivisation tool as a measure to support the intention.

### **Collaboration and contracts**

The alternative approach in IAP for less critical contexts is exploration of the collaboration/contract model. Much of this is helpful in mitigating political risk and preparing for risk management. But again it cannot expunge political risk by itself, and carries its own risks. Collaboration can and does exclude as well as include. It can blind participants to risks lurking outside the collaborators in excluded communities or in public acceptability generally, luring them into believing what they hear inside the echo-chamber is the whole story. Collaboration cannot prevent maverick applications or aggrieved communities invoking the system. The degree of collaboration suggested in IAP between normally tense partners local, regional, and central government will require new levels of transparency and tolerance between them, bringing its own risks.

At its most enthusiastic, collaboration leads to a contract model, as in proposed funding agreements and LTCCP memoranda. This may be a forerunner to what the Canadians call 'syndication' by which cooperating councils in a region or metropolis sign sundry memoranda promising each other to honour this and that policy and funding. While for most ordinary events, the experience is these instruments often collapse within a few years or under any stern political pressure. Again it's not a case of 'don't do it', it's more 'if you do it, do it carefully and be aware of the risks'. Ultimately one has to come back to the realities of political risk, especially that participants and conditions are highly likely to change over the medium-term, not all changes are benign, and such instruments cannot bind the future. In politics, when conditions get boggy or stormy, everything is threatened especially memoranda the current administration didn't sign. Political risk management may defer or mitigate the bogs and storms but cannot prevent them.

### **Conclusions and next steps**

Scenarios illustrating relevant political risks have been inserted in this paper. Some are based on actual episodes, others on possible episodes. No doubt readers can add their own. To the extent this paper has added to discussion, readers should be able to analyse the scenarios themselves - noting for example sources, likelihood of occurrence in their area, the political characters and conditions involved, and the likely impacts upon the objective. Readers may then begin formulating the missing preparations for and potential responses to the scenarios most relevant to them. And there is the systematic approach to political risk the paper proposes.

The next projected step in IAP is the production of a toolbox to guide practice in different contexts. Proposals for political risk management canvassed in this paper could be considered for inclusion in such a toolbox. They are:

- proactive political risk analysis leading to risk management plans for the most likely risks in context and a storm management plan for actual risk episodes



- constant political risk and public acceptability monitoring
- developing resilient and inclusive strategies and measures
- being prepared to adjust implementation to real political conditions
- identifying and developing politician and community allies in every cycle
- constant communication (to politicians, communities and the media rather than to fellow-planners) of goals, options, progress and benefits banked
- incentivising appropriate behaviour.

This paper is a think-piece contribution to IAP discussion commissioned late in the process. Remaining process will assess its degree of relevance, and adjust content and recommendations accordingly. Should the more systematic approach to political risk this paper proposes be accepted, then analyses can be developed for strategies or measures, at national or regional levels. For the present, important conclusions are to adopt a proactive approach to political risk and to involve the resident political risk analysts (politicians) in the task. Dispense with the idea that political risk is some wayward beast randomly attacking otherwise sound policy; insert the idea that it is mainly predictable, can be prepared for, and may even be useful in testing or rounding policy in a democracy.

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