Submission

To: Ministry for the Environment
npsurbandevelopment@mfe.govt.nz

By: Northland Regional Council

On: Proposed National Policy Statement on Urban Development

Introduction

The Northland Regional Council (council) is grateful for the opportunity to comment on the proposed National Policy Statement for Urban Development (NPS-UD). This submission is made in the interests of promoting a sustainable environment and economy in Northland and with council’s statutory functions and roles under the Resource Management Act 1991, Local Government Act 2002 and other relevant legislation in mind.

Council does not have a great deal of experience with the subject matter so our comments on the proposal are limited. We are however concerned that the NPS-UD as proposed will over-complicate matters in areas where problems with urban growth capacity / planning are not persistent or intractable and can be readily addressed with existing tools. We outline these concerns below.

Submission

1. We consider there is a need for a NPS-UD to guide development in some centres where there are persistent problems associated with the provision of urban development capacity. We therefore support the proposal to target ‘major urban centres’ as defined and the removal of the more significant policy requirements from areas previously identified as high-medium growth urban areas (such as Whangārei). This is on the basis that the cost of applying the NPS-UD policy requirements (such as future development strategies) are typically not warranted in smaller centres – growth related demand in smaller centres also tends to fluctuate more (as has been seen with Whangārei) and can be resolved readily with tools already available under the Resource Management Act 1991 (RMA). We therefore strongly support the future development strategies only being applicable in the major urban centres as listed.

2. On a related matter, Objective 5 and Policies P4A – P4C apply to all urban environments (defined as “...a concentrated settlement of 10,000 people or more and any associated business land...”) and require councils to ensure feasible development capacity is enabled in RMA plans. Feasible development capacity is to be determined in accordance with Policy P8B and if a council determines it cannot provide ‘required’ development capacity it must inform the Minister. This assessment is unlikely to be needed in such small urban areas – for example it the existing
definition of urban environment would mean many smaller towns (for example Hawera, Oamaru, Tokoroa and so on) would be captured by these requirements. We recommend changing the threshold / definition of urban environments so the NPS-UD does not impose unreasonable and unnecessary obligations on small centres – we recommend either listing urban areas of concern (as has been done with major urban centres) or applying a much higher threshold in the definition of say at least 20,000 people. For the same reasons outlined above, we support housing and business capacity assessments only being required for major urban centres as the costs of such assessments are likely to outweigh any benefit outside major urban centres and the remedies in other smaller urban areas are far simpler.

3. The focus on providing quality urban environments is well-meaning but in our view will add little benefit given they are necessarily high-level and the outcomes sought are extremely difficult to achieve with a national instrument such as a National Policy Statement. While district / urban planning can identify zones and apply development controls to facilitate quality urban environments, in reality, urban environments are typically created piecemeal in a series of individual planning decisions many of which have limited scope to apply such high level policy direction. It is likely that the approach taken in the NPS-UD will add complexity for consenting / decision making but add little benefit. A more efficient approach would be to focus on non-regulatory tools such as urban design guidelines that can address local issues / needs with more detail and utility for all stakeholders / participants.

4. For similar reasons outlined above, we have the same view on the proposals relating to amenity values and consider they add little benefit over and above the requirement in Section 7 RMA and again are likely to add complexity for decision makers / applicants for little gain.

5. Much of the policy designed to ensure plan content provides for expected levels of development is unnecessary and has the potential to create additional procedural costs. The exception is Policy P5C requiring monitoring of the uptake of development capacity – this could have some value and serve to identify issues with RMA plan settings or other constraints or impediments, such as development contributions policies or market issues.

6. The proposals designed to provide for / enable intensification don’t appear to add much to the current discretion available to councils to identify areas for urban intensification. These can be identified and planned for by way of the Future Development Strategy, spatial plans for growth and structure plans and merits tested in s32 RMA cost / benefit assessments.

7. Council does not support widespread directive national level intervention (either through a new NES or national planning standards) to impose ‘rules’ designed to provide quality urban environments / enable intensification. Any national level intervention if pursued should only apply to major urban centres – most building height, coverage, parking standards, minimum lot size and other density type controls are best set and amended at a district plan level and are not the domain of national instruments. This is because they tend to reflect local amenity outcomes – they can also be revisited relatively easily via plan changes in most cases.
Conclusion
We thank the Ministry for the opportunity to provide feedback on the proposal. Council supports the intent of the NPS-UD as revised provided it is only applied to those major urban centres where the problems of capacity and growth are persistent and complex. Applying the policy to other smaller urban centres will only increase costs with minimal benefit likely.

In our view, resolving the problems of enabling capacity for growth, infrastructure provision and creating quality urban environments requires a far broader scope than a single RMA instrument such as a NPS can provide. There needs to be a whole of system / first principles review of the urban planning framework that considers a range of legal settings including the Local Government Act, Land Transport Act, Building Act, RMA reform, development contributions and infrastructure funding and financing. We also consider there are financial and tax settings that create perverse outcomes for housing affordability and incentivise unproductive private investment patterns. Another area of concern is that there are limited building material suppliers in New Zealand and this lack of competition also contributes to housing affordability problems. The proposed NPS-UD as we see it is only a small part of the solution that will be needed and caution is required to ensure that it is not ‘asked to do too much’ and thereby creates more problems than it solves. We consider the Ministry may be better off leaving the NPS-UDC largely intact but targeted (as proposed) at major urban centres pending wider RMA and urban planning reform.

Dated: 9 October 2019

On behalf of Northland Regional Council