SUBMISSION ON NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT

To: Ministry for Environment nps-udconsultation@mfe.govt.nz

Submitter: Fulton Hogan Limited.

Background

Fulton Hogan Limited

Fulton Hogan is one of New Zealand’s largest roading and infrastructure construction companies. Within New Zealand, Fulton Hogan employs close to 4700 staff.

Fulton Hogan undertakes numerous activities including:

- Gravel extraction, both within river beds and within land-based quarries/pits;
- Aggregate processing and storage;
- Land use and infrastructure development and maintenance activities, either directly or on behalf of third parties (including roading contracts for the State Highway on behalf of the NZ Transport Agency, and local roads on behalf the territorial authority);
- Asphalt and bitumen manufacture and bulk storage;
- Pre-cast concrete manufacture and storage;
- Hazardous substance use, transport and storage; and
- Workshops, transport depots, storage yards, staff offices, and supporting infrastructure (including wastewater, stormwater, and potable water).

The activities of Fulton Hogan contribute to the sustainable management of resources for the wider benefit of people and communities. Where aggregates and aggregate-based products are not available (including at a reasonable cost), this has a fundamental effect on the ability of communities to provide for roading, building and other infrastructural requirements vital to their needs.

General submission points

We make the following submissions in relation to the discussion document on a proposed national policy statement on urban development.

Context

We agree that our cities are under pressure and are not offering the benefits we want, because:

- urban land markets do not enable housing development to keep up with growth and ensure land is affordable
- transport systems are poorly integrated with land use, and lack high-
An additional reason our cities are under pressure is that adequate provision has not been made in planning documents to recognise existing and potential aggregate and sand deposits and provide for their extraction.

New Zealand relies heavily on locally sourced aggregate resources for infrastructure repair following disasters, for road and rail transport corridors, major projects and for affordable housing development, all of which are essential for the social, economic and cultural well-being of communities.

We support a National Policy Statement (NPS) on Urban Development that aims to deliver quality urban environments and appropriately zoned land for urban development.

New Zealand needs a secure supply of high-quality aggregate materials to meet the Government’s Urban Growth Agenda (UGA). With our population set to rise to between 5.3 and 7.9 million by 2060 this rise in population alone will require approximately 1.2 million new homes to be built over the next 40 years. That is 30,000 new homes every year each requiring an average of 250 tonnes of aggregate (7.5 million tonnes p.a.).

In order to do this, it is critical that planning processes are enabling, quarry resources are protected to supply vital construction materials and quarry land is returned as an asset to the community on completion of quarrying.

**Future Development Strategy**

It is important that the changes proposed in this NPS strengthen and clarify the Future Development Strategy (FDS) requirements to better guide long-term planning.

Given the proposed prioritisation of key urban areas requiring FDS, the Government, in consultation with the aggregates sector, needs to confirm the available sources of aggregate and sand throughout the country, including aggregate quality, accessibility, and proximity to markets so that those sources identified as critical for the country’s future growth, are protected and appropriate provision is made for their development to meet future demand for aggregates.

We consider it imperative that local authorities are directed to identify and appropriately protect key resource areas and enable their development, in order to both protect existing quarries from encroachment of non-compatible land uses such as housing, reduce reverse sensitivity potential to ensure the ongoing ability to lawfully operate existing resource locations and enable the development of new greenfield resources. This direction would ideally be achieved through recognition of the importance of aggregates through an amendment to s6 or s7 of the RMA, however it can also be achieved through direction provided in this NPS.

Planning needs to be enabling so that resource consents are quicker to obtain and less costly, without reducing the need for community consultation, environmental sustainability and mitigation of the impacts on the community.

**Enabling opportunities for development**

**Addressing the concept of ‘sufficient’**

We support the addition of direction to provide development capacity that is both feasible and likely to be taken up.

This is particularly relevant when considering the availability of aggregates for future development. Quarry materials are not universally available and can only be sourced from where they are located; without planning to provide for adequate access to resources at workable locations there is the real risk of losing access to such proximate resources greatly increasing the costs of building and infrastructure development and maintenance.
Currently, the cost of a tonne of aggregate doubles when it has to travel 30 kilometres from a quarry, with additional costs for each extra kilometre thereafter. By ensuring quarries are close to their markets transport costs, transport congestion and carbon emissions are significantly reduced.

**Addressing the lack of development capacity**

Affordability of aggregates is critical in addressing a lack of development capacity.

An important issue for quarries operating in areas of expanding residential growth is reverse sensitivity—people complaining about quarries after moving into an existing quarrying area. This has the potential to sterilise existing and future resources (in some cases this may include resources with Crown Mineral rights—impacting government revenue) which mean increased costs for more remotely sourced aggregate and lost opportunities for the local economy.

**Using market information to make decisions**

We support the requirements for local authorities with urban environments to use evidence and information about their land and development markets in their planning decisions.

It is critical that Central and local government ensure that growing populations will have adequate affordable housing and infrastructure, and that local aggregate resources throughout the country are identified, understood and effectively managed, particularly near urban centres.

**Alignment with other national direction under the RMA**

We consider that the NPS-HPL and the NPS-UD are complementary, as both require local authorities to identify areas where urban development may not be appropriate. The NPS-HPL will require local authorities to identify highly productive land where urban development, and other non-primary production activities, should be avoided.

In order to retain consistent definitions across planning documents, and avoid confusion and potential conflict, the 2019 National Planning Standards definition of primary production should be used in the all NPS and other planning related documents.

Quarrying is a primary production activity under the National Planning Standards definition of primary production and therefore is a highly productive use of land.

While the NPS – Indigenous Biodiversity has not been released for consultation, the draft prepared by the Biodiversity Collaborative Group (BCG) includes potential areas of tension or confusion between the NPS-UD and NPS-IB. The combined effect of:

1) an ecologically conservative definition of what amounts to “significant” indigenous biodiversity, and
2) a default requirement that adverse effects on anything significant be avoided (with no ability to offset, mitigate or compensate where avoidance is impractical), and
3) an ineffective policy that inadequately identifies important activities that cannot avoid adversely affecting biodiversity values, and
4) a tool for identifying when important activities that cannot avoid adverse impacts on important biodiversity values are able to utilise the options of mitigation, offsetting and compensation that will almost always result in those options being unavailable,

would result in an outcome where business activities critical to achieving the principles of the NPS-UD may be unable to operate because they unavoidably impact on “significant” biodiversity values and are denied access to tools necessary to deliver biodiversity gains.
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