Dear Sir/Madam

Otago Regional Council submission - proposed National Policy Statement on Urban Development (NPS-UD)

Thank you for the opportunity to submit on the proposed NPS-UD. Much of Otago is facing some level of growth challenge, with Queenstown being the notable high growth area. ORC welcomes the additional national direction, to assist with managing the opportunities and challenges of high urban growth and to ensure good quality urban environments are achieved now, and into the future.

While ORC generally supports the proposed NPS-UD, there are some amendments that would provide additional clarity.

Queenstown as a Major Urban Centre

ORC supports, in principle, Queenstown being classified a Major Urban Centre on the basis that Queenstown faces growth pressures similar to many of New Zealand’s larger metropolitan urban settlement. Queenstown is however different to the other listed MUC’s, with its origins as a remote and largely rural settlement and the dominant role that the visitors play in the demand for accommodation, goods and services. The natural characteristics that come with its wider rural and mountainous setting underpin Queenstown’s role as both a visitor attraction in its own right, and as the centre of a substantial and complex visitor economy.

In contrast to New Zealand’s other proposed MUC’s, Queenstown’s location also makes it subject to a number of unique and critical constraints for a high growth area. Queenstown is bordered immediately by mountainous areas and significant water bodies. Queenstown is vulnerable to significant natural hazards including flooding, land instability, earthquake risk, and severe weather events. Queenstown is naturally isolated by the topography of the surrounding area, and its growth patterns are, in large part, dictated by topographical constraints more extreme than other MUC’s.

There are fewer planning solutions available to Queenstown due to those constraints. There are also limited options for the delivery of key urban infrastructure, including limited ability to widen critical roads, challenges with the location of wastewater treatment facilities, and issues with the impact of urban stormwater and sediment on the quality of freshwater bodies.
While the Resource Management Act, and in particular sections 6 and 30 address risk from natural hazards, the ORCs position is that the NPS-UD could be strengthened to make particular note of natural hazards constraints that may limit growth opportunities.

**Outcome Sought:** ORC would like to see specific mention of the risk from natural hazards outlined as a possible constraint to growth in the NPS-UD. This would give effect to section 6 and provide additional clarity.

**MCU Policies**

A number of the new policies included in the NPS-UD are mandatory for all MCU’s to provide for greater intensification of existing urban areas, and where appropriate, new green field development.

This includes limiting the ability to regulate for minimum car parking in a development and specific intensification targets. ORC understands and supports the intent of the approach to integrate land use and transport planning, reduce car dependence and better support the use of alternative transport modes. However, Queenstown’s unique setting will make compliance with these requirements challenging and may result in unintended consequences.

**Car parking and provision of public transport**

The rate of growth in Queenstown over the last 20 years has been such that the infrastructure and transport services are at or beyond their capacity. As a result of this, Queenstown, and its connected urban hubs, face a significant challenge with how to manage future growth within its existing transport corridors. Topography and land constraints means options to increase existing corridors are likely expensive, and uncertain, due to the natural hazards’ risks.

If the purpose of MCU policy for removing car parking requirements is to promote a modal shift to public transport, an increase in public transport services will be required. In Queenstown’s case the limited existing roading capacity and the limited ability to widen roads to separate buses and alternative modes from general traffic mean that it is very difficult to provide additional public transport capacity that is attractive and competitive with travel by private car. Unless a new rapid high-speed system and transport corridor is able to be developed, public transport will be subject to the same constraints of the existing transport corridors, affecting its ability to move people quickly and efficiently, likely resulting in an unsatisfactory experience for all travellers. It is also important to note that a significant part of the transport demand that Queenstown needs to deal with is associated with self-directed visitors who are travelling across large areas of the South Island and Queenstown area by car. These people are a significant part of the population of Queenstown on any day, but do not have normal commuter behaviours neither do they make normal mode choices. The provision of accommodation without access to off-street car parking is likely to result in growth of on-street parking which will further congest transport corridors.

**Outcome Sought:** ORC would like consideration be given to exempting Queenstown from the car parking requirements in the NPS-UD, so that the appropriate level of on site servicing to satisfy the requirements of the population is provided. This does not limit future opportunities to move away from a road-based transport corridor but allows flexibility in approach.
Options for directing intensified development

ORC considers the other MUC’s have a greater flexibility to resolve growth pressures than Queenstown. The physical and hazard constraints that impact of growth and development options for Queenstown also mean that there may be significant unintended consequences from adopting either of the options for directing intensified development presented in the discussion document. In particular the rather blunt requirement for high-density development zoning within 1.5km of the city centre could present considerable challenges for Queenstown. ORC considers that of the two options presented, a descriptive approach would be preferable to the prescriptive approach.

Outcome Sought: ORC would like consideration be given to exempting Queenstown’s proposed options for directing intensified development, and if that is not considered appropriate that the descriptive approach be adopted.

Quality Urban Environment

ORC supports the desire to create quality urban environments through the NPS -UD however our position is that the phrase is ambiguous and may be subject to broad interpretation. This risks it being used for greenfield developments that undermine existing or other planned developments and ultimately could result in poor urban environment outcomes.

Amenity is an important concept contributing to what constitutes a Quality Urban Environment. ORC considers the relevant policy is sound in intent, but it needs to be clearer and better targeted to avoid unintended consequences.

As written, it would require ORC to consider specific aspects of amenity and amenity benefits in all consents located within an urban area. ORC submits the policy will, unintentionally, result in increased processing and costs for a range of consents – and potentially more challenges to decisions, without a clear benefit to both the consent process or urban amenity. This would include consents that ORC administers.

Outcome Sought: ORC requests the policy be drafted to be clearer, directing what activities need to provide for managing amenity in urban areas.

Future Development Strategies

ORC supports the implementation of Future Development Strategies. This instrument will be critical for Councils to both implement the NPS-UD but also to balance other NPS requirements and issues such as managing risk from significant natural hazards, and sensitive receiving environments that could be affected by urban development.

Due to constraints of available and affordable housing in Queenstown and Wanaka, the neighbouring Central Otago District is facing increasing pressure to provide and supply housing for the Queenstown Lakes markets. The required FDS would not be able to be applied to the Central Otago District however, it’s clear that the planning response to growth will need to be cohesive and aligned across
the Queenstown Lakes and Central Otago Districts. ORC is supportive of working with its territorial authorities to ensure a joined up and integrated approach.

In order to allow for growth and ensure growth is planned and managed, resulting in quality urban environments in Queenstown, there will need to be a whole of Government, co-ordinated response that goes well beyond the provisions of the NPS-UD. Given the particular nature of Queenstown and the drivers of its growth and its unique location and constraints it is essential that infrastructure and transport planning, funding, construction and associated processes are all aligned. To support councils successfully developing and implementing FDSs, it will be important that the Government identifies where funding and resourcing can be provided across its functional departments and agencies.

ORC encourages government to ensure that its budgetary and planning processes, and in particular its transport planning and funding processes are aligned to support Future Development Strategies and deliver the government contributions that will be necessary.

**Review of Future Development Strategies**

ORC agrees that FDSs should be regularly reviewed rather than being a static document. However, the proposed blanket requirement to review FDSs every three years is not supported. The ORC considers that it would be better to align the development and review of the FDS with the six-yearly review of the Regional Land Transport Plan (RLTP). The experience of the previous requirement to develop and review Regional Land Transport Strategies every three years was that the review process resulted in the constant re-litigation of difficult and divisive issues with no positive upside for the community. Reviews are costly, both for councils and the organisations and individuals that take part in the process. Reviews should not be undertaken lightly. Long-term certainty in relation to the planned development of MUCs is important for aligning investment by the public and private sector. The life of urban infrastructure means that significant changes in direction are costly and difficult to achieve. Given the importance of aligning land use and transport planning to deliver quality urban environments and the key role that RLTPs play in guiding investment in the transport system it is essential that FDSs and RLTPs are aligned and integrated.

ORC supports the regular review of FDSs but suggests that the regular review timetable should be very six years, aligned to the review of the RLTP. The ORC would also support the incorporation of a range of trigger mechanisms that could require an earlier review of an FDS if it becomes clear that growth expectations have changed, or if it were to become evident that expected uptake or other key parts of the strategy are not being achieved and the strategy needs to be revised.

*Outcome Sought: ORC requests that Future Development Strategies are required to be reviewed at six yearly intervals, to align with Land Transport Planning, and to allow implementation and alignment with other plan cycles. ORC suggests that the NPS-UD include a number of triggers that could require the earlier review of an FDS under certain circumstances.*
We also wish to draw to the Minister’s attention that we have had a preliminary conversation with Queenstown Lakes about the contents of our submission. While there is general agreement around the general intent and direction of the policy statement, there are areas where we do not yet have agreed positions. This will clearly be a focus for the ORC going forward, as we work toward implementing the NPS-UD.

Yours sincerely

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General Manager, Strategy, Science and Policy