SUBMISSION ON THE NATIONAL POLICY STATEMENT FOR URBAN DEVELOPMENT

Form 5
Submission on a publicly notified proposal for policy
Clause 6 of First Schedule, Resource Management Act 1991

To: Ministry for the Environment
Ministry of Business, Innovation and Employment

nps-udconsultation@mfe.govt.nz

Name of submitter: Federated Farmers of New Zealand

Date: 10 October 2019

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SUBMISSION ON THE PROPOSED NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT (NPS-UD)

1 INTRODUCTION

1.1 Federated Farmers of New Zealand Incorporated (Federated Farmers) thanks the Ministry for the Environment and Ministry of Business, Innovation and Employment (the Ministries) for the opportunity to provide feedback on its consultation regarding a National Policy Statement on Urban Development (NPS-UD).

1.2 Federated Farmers has engaged in some limited consultation with a proportion of its members to gauge their sentiment.

1.3 The members of Federated Farmers encompass a broad range of persons and interests. As a result, many have diverging views on the provision of development capacity, depending on their own personal views and future intentions to develop their own land. With this in mind, our submission seeks to focus solely on key issues that are generally accepted by our membership.

1.4 Accordingly, Federated Farmers would appreciate the opportunity to discuss this feedback in greater detail. Federated Farmers seeks the opportunity to participate in any relevant discussions, workshops or hearings that might be held.

2 RECOMMENDATIONS

2.1 That the proposals in the discussion document to implement the NPS-UD proceed as suggested, subject to the recommendations set out in this submission.

3 BACKGROUND & GENERAL COMMENTS

3.1 The Ministry for the Environment is consulting on a proposed NPS-UD. This is to replace the National Policy Statement on Urban Development Capacity 2016.

3.2 Federated Farmers recognises the proposed NPS-UD is a priority for this Government. The scope relates to the provision of development capacity in local authority plans to address both housing and business needs.

3.3 National Policy Statements are prepared under section 45 of the Resource Management Act (the Act) with the purpose of stating objectives and policies for matters of national significance that are relevant to achieving the purpose of the Act.

3.4 The broad purpose of our submission is to give the general support of Federated Farmers to principles behind the proposal to develop a National Policy Statement on Urban Development. It is understood the proposal is to address issues by the implementation of:
   - The adoption of a Future Development Strategy, which requires councils to carry out long-term planning to accommodate growth and ensure well-functioning cities.
• By providing for growth in RMA plans by requiring councils to allow for growth ‘up’ and ‘out’ in a way that contributes to a quality urban environment, and to ensure their rules do not unnecessarily constrain growth.
• Verified methodology and evidence for good decision-making, requiring councils to develop, monitor and maintain an evidence base about demand, supply and prices for housing and land, to inform their planning decisions.
• Processes for engaging on planning – ensures council planning is aligned and coordinated across urban areas, and issues of concern to iwi and hapū are taken into account.

3.5 These new models are required as a consequence of:
• The rapid growth that is occurring in some urban areas.
• The consequent pressure to enable sufficient development-ready land for housing and business.
• The difficulties that regional and district councils appear to have in balancing competing priorities in making appropriate decisions that accommodate urban growth whilst protecting nationally significant resources such as high class soils.

3.6 It is accepted by Federated Farmers that the NPS-UD seeks to assist local authorities, through their regional policy statements and regional and district plans, to provide adequate “development capacity”, being the provision of adequate opportunities to develop land for business and housing.

3.7 Our submission relies on the understanding that the NPS-UD is aimed at ensuring there is adequate development capacity for business and housing, and it centres primarily around the impact that ensuring that such adequate capacity exists is likely to have on areas of land that are in rural production, and on the people that rely on making their living from such land. In this context, it is important to note that growth in urban areas does impact nearby rural areas, which is a reason why Federated Farmers takes an active interest in the NPS-UD.

3.8 For our members, this process must dovetail neatly alongside the Proposed National Policy Statement for Highly Productive Land. It is imperative that development and housing growth must also:
• Recognise the full range of values and benefits associated with the use of high class soils for primary production.
• maintain the availability of high class soils for primary production for future generations, and
• Protect high class soils from inappropriate subdivision, use and development.

3.9 A further concern our members face is the expansion of the peri-urban boundary into land used for primary production and commercial activities associated with the primary sector. Reverse sensitivity issues such as odour, aural or visual amenity concerns have the potential to affect the viability of some rural-based businesses. We seek greater controls be applied to the NPS-UD with respect to controlling reverse sensitivity risk.

3.10 It is Federated Farmers’ experience that reverse sensitivity issues inevitably arise when urban uses of land displace rural uses of that same land.

3.11 Federated Farmers is particularly concerned to see that areas of productive land adjacent to areas that are designated to become urbanised, wherever they may be, are protected from
the reverse sensitivity effects that might arise from new activities taking place in those areas. Reverse sensitivity effects can restrict how primary sector enterprises can operate, and that this compromises the productivity of the land. This is no more evident than with urban expansion around horticultural food hubs creating tension between new ventures and established producing communities.

3.12 Federated Farmers agrees that there is a lack of clarity on how highly productive land should be managed under the RMA, and that the value of this land for primary production is often given inadequate consideration. It is agreed that this absence of considered decision-making is resulting in uncoordinated urban expansion over, and fragmentation of, highly productive land when less productive land is both usually available and better suited for urban use.

3.13 Further, Federated Farmers agrees with the findings of the “Our land 2018” report, that there are two main pressures facing highly productive land, being:
   1. the expansion of urban areas and
   2. The change of land use from primary production to lifestyle blocks.

As Federated Farmers has noted in prior submissions on the earlier National Policy Statement on Urban Development Capacity, the proposed National Policy Statement for Highly Productive Land, and the Productivity Commission’s “Better Urban Planning” draft report, the main issue that rural areas have with urban development is at the interface between urban areas and rural areas.

4.4 What Federated Farmers has sought in order to address the issues that arise at this interface is the inclusion, where appropriate, of objectives and policies to ensure rural production activities on land adjacent to urban areas that are subject to ongoing development and change that is urban in nature, are able to continue. We have also asked for policies that implement these objectives by ensuring that adequate buffer zones are provided between newly developing urban areas and adjacent rural areas, so as to avoid the prospect of any development and change taking place in urban areas compromising the safe and efficient operation of existing rural production activities or industry.

4.5 Although generally supportive, Federated Farmers is concerned at some aspects of the NPS-UD, which do not appear to be intended to apply nationally, rather it is intended to apply only in urban areas of the country that are growing quickly. It may be that the NPS-UD could provide a set of principles that should be applied more generally if and when rapid growth is taking place in any particular area rather than on a reactive basis.

4.5 Rural production activities are major industries in the rural areas that surround urban areas, and those rural production activities rely on a dynamic and enabling regulatory environment if they are to thrive. Whilst we generally support a permissive regulatory regime being applied to rural production activities in those rural areas, a permissive regulatory setting does not always result in good outcomes with the expansion of urban development either at a local or national interest perspective.

4.6 In summary, Federated Farmers generally supports the NPS-UD but consider:

- The NPS-UD must sit alongside, and give effect to protecting resources such as High Class Soils or primary production land located near markets.
• Urban development needs to be clearly defined and not include un-serviced large lot residential subdivision on the fringe of a city or town that results in inefficient use of the land resource and land use conflict.

• Better controls in terms of reverse sensitivity is required, as urban growth extends into land used for primary production and associated commercial activities.

• With respect to development inside the peri-urban boundary, the Proposal should provide broader recognition on promoting good urban design and the principle of long-term intergenerational environmental and economic sustainability as a mechanism to enhance density.

• Recognise issues around demographic change in New Zealand and economic shifts that affect the need for different types of commercial and industrial land, both of which will affect long term housing and commercial land demand.
Specific submissions

Federated Farmers’ submissions on specific provisions are set out below, along with decisions sought, and alternative proposals recommended. In addition to our specific feedback itself, we also request that any consequential amendments are also made to give effect to those submissions.

<table>
<thead>
<tr>
<th>The specific provisions of the Proposal that my feedback relates to are:</th>
<th>Federated Farmers of New Zealand’s feedback, concerns and assessed implications are as follows:</th>
<th>Federated Farmers of New Zealand’s recommendation, or alternative proposal:</th>
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<td>Oppose/ support</td>
<td>Reasons</td>
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**SECTION 4: FUTURE DEVELOPMENT STRATEGY**

1. **O1:** To ensure long-term strategic planning, reflected in planning documents, provides for: a) integrated land use and infrastructure b) quality urban environments

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<tr>
<td>Support</td>
<td>Federated Farmers supports a long-term strategic direction being reflected in planning documents. Efficient and integrated planning will direct growth into the urban environment and alleviate the pressure on the peri-urban or rural zones.</td>
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<td>Adopt as proposed</td>
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2. **P1A:** Local authorities must, every three years, prepare or update a Future Development Strategy (FDS). An FDS is to demonstrate, for the medium and long term, how the local authority will: a) achieve quality urban environments in its existing and future urban areas and b) meet residential development capacity bottom lines c) allocate development capacity across existing and future urban areas.

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<td>Support</td>
<td>We support the policy only applying to specified major urban areas. We consider that given the different challenges faced, and different resourcing capacity and capability, it is appropriate that other councils with lower growth predictions should instead be simply encouraged to give effect to these policies where appropriate. It is useful for these to be drafted in time to help inform relevant LTPs.</td>
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3. **P1B:** An FDS need not be published as a separate document, but can be part of

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<td>Support</td>
<td>We support this only applying to Major Urban Areas. Given the considerable central government (and other) obligations falling upon councils at present, particularly in light</td>
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<td>any other suitable document, for example a spatial plan.</td>
<td>of the Essential Freshwater proposals, and increasing obligations in light of the likely NPS Indigenous Biodiversity and following RMA Reform, it is entirely appropriate for FDS matters to be included amongst other suitable documents. This presents an efficiency at Council level whilst limiting the costs that fall on ratepayers.</td>
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5 P1D: Every FDS must identify: a) areas where evidence shows urban development must be avoided b) future infrastructure corridors/locations c) broad locations for long-term feasible residential and business development capacity d) broad locations for residential intensification that contributes to quality urban environments e) the development infrastructure and other infrastructure needed to support growth f) how to provide for business land g) how hapū and whānau aspirations for urban development on whenua Māori within their rohe will be taken into account h) how the strategy will be implemented. This must include: i. estimates

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<td>Federated Farmers supports this policy as it supports a long-term outlook to development and infrastructural services. A forward-looking approach to integrated planning and growth will support efficient cites in terms of carbon, food production areas and pleasantness. We express caution in councils determining areas to be 'avoided' and that any such prohibition must be both reasonable and appropriate. We support it only applying to Major Urban Areas.</td>
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<td>of local authority contributions to development infrastructure funding, and the indicative timing and sequencing ii. financing gaps or other risks to the delivery of development infrastructure needs for the medium and long-term, and options for resolving this iii. processes for working with land owners, developers and infrastructure providers to implement the FDS.</td>
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<td><strong>P1E</strong>: In addition to the policies P10A–P10C, when local authorities are developing or updating FDSs for a major urban centre they must: a) engage on their FDS with neighbouring local authorities where there are significant connections between infrastructure or communities b) work with relevant central government agencies c) give local iwi and hapū opportunities to identify the resource management issues of concern/</td>
<td>This policy directs effective and essential communication as the issues associated with growth and efficient infrastructure with key stakeholders. This is helpful as issues or efficiencies do not end at a region boundary. Despite the best intentions of some Councils, they operate in isolation too frequently. Improved engagement can potentially improve roading and the installation/management of roads and horizontal infrastructure. We support this only applying to Major Urban Areas.</td>
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<td><strong>P1F:</strong> When developing or updating an FDS, local authorities: a) must undertake a consultation process that complies with either Part 6 of the Local Government Act 2002 or Schedule 1 of the Act b) may combine that process with any other consultation process occurring on another related matter, such as the documents referred to in [P2H].</td>
<td>Support The LGA sets out a robust process for consultation. It is helpful that Councils are directed by a method to ensure effective consultation with all stakeholders and the community. This will help support good outcomes and ensure Councils act in a fair constant manner.</td>
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<td><strong>PART 5: MAKING ROOM FOR GROWTH</strong></td>
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<td><strong>P6B:</strong> Regional councils must include the following objective into their regional policy statements: To enable residential intensification that ensures the efficient use of existing urban land, infrastructure, services and facilities</td>
<td>Support Federated Farmers supports an RPS providing a clear directive to Territorial Authorities to give effect to the NPS. By doing so, the RPS recognises and gives effect within the planning hierarchy. From a practical perspective, Federated Farmers supports measures to improve intensification efficiency. By better utilising the urban resource, the pressure for expansion into the rural zone is reduced.</td>
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Appendix One

RESPONSES TO SPECIFIC QUESTIONS

Questions

1. Do you support a National Policy Statement on Urban Development that aims to deliver quality urban environments and make room for growth? Why/Why not?
   Yes. We support the proposed NPS-UD focussing on the delivery of quality, well-integrated, urban environments. Ensuring appropriate room for future growth is an appropriate consideration where that is an issue, and therefore we support a prioritised approach in this regard. We do caution that policy cohesion between this document and the National Policy Statement on Highly Productive Land is vital. Any duplications, inconsistencies or uncertainties will lead to poor planning and undesirable outcomes.

2. Do you support the approach of targeting the most directive policies to our largest and fastest growing urban environments? Why/why not?
   Yes we support a targeted and prioritised approach. We consider the approach used to determine which local authorities are categorised as major urban centres is broadly about right, provided there is sufficient certainty around future re-categorisation where and when that is needed, and the method to do so.

3. Do you support the proposed changes to Future Direction Strategies (FDSs) overall? If not, what would you suggest doing differently?
   We consider that only requiring major urban centres to undertake an FDS is appropriate. There would be considerable resourcing and cost implications in extending this requirements to other local authorities, with benefit disproportionate to those implications.

4. Do you support the proposed approach of the NPS-UD providing national level direction about the features of a quality urban environment? Why/why not?
   No. Taking an overly prescriptive approach will potentially encumber some quality outcomes. As every District enjoys differing physical characteristics and constraints, it would not be appropriate to set out what does, and does not constitute a good planning outcome. Each Council should retain the ability to set out what they constitute features a good quality urban environment, where locals and interested stakeholders have chance to participate and shape the future of their city.

5. Do you support the inclusion of proposals to clarify that amenity values are diverse and change over time? Why/why not?
   Again, this is a matter best left for Regional Councils and Territorial Authorities to define.

6. Do you think these proposals will help to address the use of amenity to protect the status quo? No, these proposals provide a clear enabling direction and are likely to accelerate a change in the urban setting and the amenity values associated with that community.
7. Do you support the addition of direction to provide development capacity that is both feasible and likely to be taken up? Will this result in development opportunities that more accurately reflect demand? Why/why not?
The FSD will create development opportunities as it encourages Council to look further into the future and consequently it will help inform developers of opportunities. It is challenging to determine whether the direction to provide development will drive outcomes that reflect that demand when development outcomes are a both a social and business decision.

8. Do you support proposals requiring objectives, policies, rules, and assessment criteria to enable the development anticipated by the zone description? Why/why not?
While we support zone descriptions in district plans and see them as a useful means by which to articulate what outcomes communities can expect within their urban environment, we do not support the inclusion of amenity values. We consider these are both subjective, and open to change, in a way that doesn’t fit with the rigour of such planning requirements.

9. Do you support policies to enable intensification in the locations where its benefits can best be achieved? Why/why not?
We support policies that enable intensification in major urban locations where that is best suited, providing for an approach that achieves higher densities in urban environments, rather than a continued urban sprawl.

10. Do you support inclusion of a policy providing for plan changes for out-of-sequence Greenfield development and/or Greenfield development in locations not currently identified for development?
Yes, out-of-sequence Greenfield development has a tendency to be a greater burden on ratepayers. This leads to inefficient roading or reticulation issues. Whilst any policy must encourage sequential growth, the issue however remains where individual landowners elect not to develop for their own personal or economic reasons. Any policy must contemplate and respond to this outcome. Again, policy cohesion between this document and the National Policy Statement on Highly Productive Land is vital, and where conflict exists the NPS-HPL must prevail.

11. Do you support limiting the ability for local authorities in major urban centres to regulate the number of car parks required for development?
Whilst the Government's desire to reduce car ownership is applaudable, the majority of individuals within any community will continue to have one or two vehicles. Should Territorial Authorities not have sufficient regulatory controls to require carpark spaces, developers will rely on available regulations to undercut the cost of development. The inability for Councils to control car parking will result in perverse outcomes and direct car parking effects into the public realm rather than be contained on-site.

12. Do you think that central government should consider more directive intervention in local authority plans?
No. Direct interventions such as enabling three-story houses within the residential zones will encumber the community with the effects of that development. It should be the community who decides the spatial layout of their community via the District Plan process. Improving controls on immigration or distributing immigrants within provincial New Zealand will address the demand pressures.
13. Do you support requirements for all urban environments to assess demand and supply of development capacity, and monitor a range of market indicators? Why/why not?
Yes, this forward-thinking analysis is clearly a role for Territorial Authorities to aggregate. This will help support spatial planning and also both Councils and developers to make better, more informed choices to address housing and efficient communities.

14. Do you support inclusion of policies to improve how local government works with iwi, hapū and whānau to reflect their values and interests in urban planning?
Councils already consult with iwi, Rūnaka, hapū and whanau via a range of pathways that suit each community as partners in Te Tiriti o Waitangi. Expectations, capacity issues, and the extent of consultation differs between Districts. Any policy directing how local government will consult may create perverse outcomes or place additional demand on Manawhenua that is unhelpful. Specific methods are best suited for within lower order planning documents that have been prepared in consultation with the local community.

15. Do you support amendments to existing NPS-UDC 2016 policies to include working with providers of development and other infrastructure, and local authorities cooperating to work with iwi/hapū? Why/why not?
Yes. The established relationships between Council and Manawhenua provide a useful basis for developers to consult upon. Consequently, outcomes for all parties are likely to be both more consistent and rewarding.

16. What impact will the proposed timing for implementation of policies have?
Whilst the timing of the policies is not an issue for Federated Farmers, the breadth of consultation documents such as the NPS-FM, NPS-HPL, RMA reforms etc all under submission simultaneously is unhelpful.

17. What kind of guidance or support do you think would help with the successful implementation of the proposed NPS-UD?
Consistent messaging between officials and achievable timeframes, with transitioning where appropriate. The decisions version must includes costed outcomes that are specific for each community.

18. Do you think there are potential areas of tension or confusion between any of these proposals and other national direction? If so, please identify these areas and include any suggestions you have for addressing these issues.
There is a clear conflict between the intent of the NPS- Highly Productive Land and the need to cater for growth. Highly productive land should be managed under the RMA, and that the value of this land for primary production is often understated. The absence of considered decision-making is resulting in uncoordinated urban expansion over, and fragmentation of, highly productive land when less productive land is both usually available and better suited for urban use.