Ministry for the Environment — Manatū Mö Te Taiao
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Auckland 1143
Email: ..............................................................

Attention: ..............................................................

Dear ..............................................................

Proposed National Policy Statement on Urban Development — Definition of 'urban environment'

At its 1 October 2019 meeting, staff reported to the Thames-Coromandel District Council (the Council) on the Proposed National Policy Statement on Urban Development (NPS-CID). Staff have been directed to write to the Ministry for the Environment (MfE) raising the issue of the unclear definition of the term 'urban environment', as proposed in the NPS-UD discussion document.

The Proposed NPS-UD defines an urban environment' as 'an area of land containing, or intended to contain, a concentrated settlement of 10,000 people or more and any associated business land, irrespective of local authority or statistical boundaries'. The discussion document does not include guidance about how the phrases 'intended to contain' and 'concentrated settlement' are to be interpreted, which makes it difficult to clearly establish whether or not a particular settlement is an 'urban environment'. We offer our analysis of Thames, the District’s main town, as an example.

The main, 'concentrated' Thames settlement, located roughly between the Moanataiari suburb to the North and the Kaueranga Stream to the South, had a usually resident population of 7,854 in 2013, projected to be 8,230 in 2019. On this basis it appears that the town does not meet the threshold for consideration as an urban environment. However, if the development capacity within the town’s zones or existing infrastructure services is considered, it could be maintained that the town is 'intended to contain' 10,000 people or more.

An additional complication is that Thames has no defined urban/rural boundary. Over time residential and business development best described as 'ribbon' rather than 'concentrated', has occurred south of the Kaueranga Stream along State Highway 25, to Köpü in the south.

The Council has developed the Köpü -Thames Structure Plan for the area between Thames and Köpü to provide for future residential and industrial growth, as well as rural and rural
lifestyle activities. The structure plan is included in the 2013 Proposed Thames-Coromandel District Plan. Only Stage of the 900 hectare structure plan area is currently zoned for residential or industrial activity and serviced with infrastructure. This includes 57 hectares of residential zoning in the Tōtara Valley, the industrially zoned land at Köpū and several industrial sites along State Highway 25. The remainder of the land within the structure plan area retains a rural zoning and is unserviced, although there is an appeal to the Environment Court seeking a residential zone for additional urban-type development within the area.

It is unclear from the current NPS-UD definition whether either the existing urban development between Thames and Köpū, and/or the land currently zoned rural, but 'intended to contain' future urban development should be considered within a Thames 'urban environment'. We consider that the definition of the term should provide better direction to assist territorial authorities with assessing their urban areas.

Whether Thames is an 'urban environment' under the NPS-UD has important implications for this small District, including the costs of complying with its direction. We note that while the discussion document clearly indicates which provisions would apply to major urban centres, it does not do so for 'other urban environments'. 'Other urban environments' are 'encouraged' to give effect to certain policies, notably those requiring preparation of a Future Development Strategy (FDS) and a Housing and Business Development Capacity Assessment (I-IBA). This unclear direction creates uncertainty for territorial authorities seeking to establish what their responsibilities are under the NPS-CJD.

The Council recommends that the NPS-UD:

1. includes more detailed criteria/thresholds/guidance for defining an 'urban environment' for the purpose of the NPS-UD
2. provides clear direction to territorial authorities about which objectives and policies apply to urban environments that are not major urban centres and which do not
3. acknowledges the compliance costs associated with implementation of the NPS-CJD, especially for small local authorities, and provides guidance about how these might be shared.

If you have any further queries please do not hesitate to contact me on .

Yours sincerely