PART 1: Introduction

This is Auckland Council’s submission in response to the discussion document “Planning for successful cities” and the proposed National Policy Statement on Urban Development (‘NPS UD’). It includes the views of council CCOs Watercare, Auckland Transport, Panuku, and ATEED, as well as the Independent Māori Statutory Board.

Comments on the proposed NPS UD from the following Local Boards are appended to the end of this submission as Appendix 2:

• Mangakiekie-Tamaki
• Manurewa
• Papakura
• Puketapapa
• Waitemata

The National Policy Statements on Highly Productive Land and the Essential Freshwater Management Package currently being consulted on have an impact on and direct relation to the NPS UD. The council is submitting separate feedback on these. We have however ensured feedback between all three is aligned.

This submission is endorsed by the Deputy Mayor of Auckland and Chair of the Planning Committee with delegation on behalf of the governing body.

Overview and key feedback

Auckland Council supports the overall intention, but not all the content, of the proposed National Policy Statement on Urban Development, aimed at helping local authorities plan for how their cities develop.
The council strongly supports the broadened focus from the National Policy Statement on Urban Development Capacity ("NPD UDC 2016") beyond urban development capacity, to include other matters that contribute to well-functioning urban environments. Through various consultations, Aucklanders have said they want successful communities where people can connect, with a mix of housing, employment opportunities, parks and open spaces, a healthy environment, a choice of public and active transport and safe, walkable streets.

These matters are crucially important. Housing alone does not create a community, and an urban environment is more than its parts. It is an interconnected system and the NPS UD will ultimately fail current and future New Zealanders if it does not recognise and adequately provide for this.

Auckland Council believes there are four main issues that require a fundamental rethink in the final drafting of the NPS UD.

1. Complementary national and local roles

Auckland Council supports an NPS UD which provides clear national direction that describes the outcomes sought for our growing urban areas. However, cities are not all the same, nor are the communities within a city. Local authorities must retain flexibility in how they achieve the outcomes described in national direction through their planning and investment, accounting for those differences and local context (such as natural values, flooding hazards, topography, mana whenua values or amenity). National direction that specifies the 'how' and 'where' will have many unintended consequences undermining the outcomes sought.

2. Balancing competing responsibilities

Local authorities enable new development through well-considered, long-term land use planning and providing network infrastructure.

Long-term land use planning informs infrastructure providers and the development sector of local government’s investment intentions. This allows all parties to make informed and effective investment decisions. Land use planning is also a key tool used to ensure the many factors that make a city highly livable for its residents are well considered and planned for over the long term.

Local government also funds and/or provides the bulk and network infrastructure that underpin new development. While individual developers may provide and fund local infrastructure, the magnitude of the costs associated with bulk infrastructure is normally far greater than what they can bear individually – the private sector model does not function without public investment. Local authorities have a critical role as stewards of public investment in bulk infrastructure and have to ensure such investments achieve the greatest overall benefit for their cities.

Local authorities therefore need the ability to strike a balance between being responsive to individual developments, ensuring investment certainty for the wider development sector, and achieving the greatest return on publicly funded infrastructure investment.

For instance, it is estimated that the costs of bulk infrastructure in the future urban areas in Auckland will be three quarters funded by the tax payer and ratepayer under current funding practices. This is effectively a public subsidy of private development. Utmost prudence in ensuring the greatest return on investment is the responsibility of both central and local government.
Auckland Council therefore strongly opposes proposals in the NPS UD that support out of sequence and new unplanned greenfield development. This is because infrastructure costs are never fully funded by the private sector. Scarce public resources are diverted for private gain under the auspices of increasing development capacity, when in fact it reduces development capacity in planned areas.

Given the extent of infrastructure funding required across New Zealand to service growth, and the obligations placed upon councils through this NPS UD, it cannot be silent about funding. This has to be addressed.

3. Responding to the needs of a growing city/region

Auckland is on track to consent 100,000 dwellings over the 2012 – 2022 period. This was a target in the Auckland Plan 2012. In reaching 100,000 dwellings, intensification continues to be an important policy feature in the Auckland Plan 2050.

Recent monitoring results\(^1\) indicate a significant uptake of intensification within the existing urban area in response to the Auckland Unitary Plan’s up-zoning.

A total of 14,000 dwellings were consented in the 2018/2019 year, of which 83 per cent were in the existing urban area and 10 per cent in the future urban area\(^2\).

The council must be able to continue to support this intensification direction. At the same time, Council is under significant pressure to respond to development in greenfields. The magnitude of bulk infrastructure costs for these greenfields (around $21 billion) means that constant and ad hoc changes to priorities will result in additional costs to ratepayers and tax payers and potentially result in sub-optimal outcomes for development yields.

Council needs the ability to plan how it most efficiently balances the ratepayer funded costs associated with intensification and greenfield development.

Council continues to improve its evidence base through monitoring and policy work (such as the Future Urban Land Supply Strategy and factors such as urban-rural land differentials). Council must be able to respond to findings from evidence to provide the development community and infrastructure providers with an appropriate level of certainty. As it stands, the NPS UD undermines this certainty.

Again, Auckland Council therefore strongly opposes proposals in the NPS UD that support out of sequence and new unplanned greenfield development.

4. Workable solutions

While Council supports the need for a Future Development Strategy and for it to be regularly updated, it believes that a three-yearly updating cycle as proposed in the NPS UD is unachievable. Council strongly suggests that a six-yearly update to the Future Development Strategy is a more workable solution. This longer policy review cycle would improve the ability to understand the

implications of policy through monitoring and evidence. This would provide more certainty to the
development community, particularly to infrastructure providers.

There are various detail-level proposals that are highly prescriptive, taking no account of local
context. The council believes these are unworkable and are addressed throughout this submission.

Auckland facts

To understand how national guidance can best assist local councils in enabling enough development
capacity and delivering quality urban environments, it is important to understand that regions, cities
and places are unique and that these differences should acknowledged. Like other New Zealand
cities, Auckland has unique characteristics.

Auckland’s strategic direction and spatial plan is the Auckland Plan 2050³. It was first adopted in
2012 and refreshed in 2018, both times with significant public engagement. The purpose of the
Auckland Plan is to contribute to Auckland’s social, economic, environmental and cultural wellbeing
through a long-term growth and development strategy. It provides the ability to coordinate land use
and infrastructure planning and provision to match Auckland’s rapid growth. It gives greater
certainty to other parties, such as central government and infrastructure providers, for the
investment decisions they need to make.

Auckland population is projected to reach approximately 2.4 million people by 2048. In recent years,
annual growth in the region has exceeded 40,000 people. Auckland accounted for 34.1 per cent of
New Zealand’s population increase between 2013 and 2018, and its economy contributed 38 per
cent of New Zealand’s total economic output to the year ended 2018.

Auckland’s success is dependent on how well its prosperity is shared. There are considerable
outcome disparities across education, employment, health and wellbeing, and housing. The spatial
and generational effects of inequality are increasingly a part of the discussion on access, mobility,
housing, infrastructure, employment and economic issues.

Population growth places increasing pressure on Auckland’s already stressed environment.
Auckland’s attractiveness is in part based on a unique natural environment. Significant features in
our landscape contribute to Auckland’s identity, but are known to be vulnerable to degradation from
the side-effects of the region’s functioning and development.

Significant change is necessary to accommodate the scale of growth anticipated with an additional
313,000 dwellings and 263,000 jobs required over the next 30 years. This will mean overcoming
numerous challenges, particularly in terms of aligning investment and planning decisions as well as
infrastructure delivery required to accommodate this growth.

The Auckland Unitary Plan enables growth through both intensification and new greenfields (which
needs to be used efficiently). It allows for higher density housing choices such as apartments,
especially near transit corridors and around town centres.

Since the Auckland Unitary Plan became operational, there has been a large increase in consents
granted for housing and additional business floor space⁴. Since this time, most of Auckland’s housing
growth has occurred within existing urban areas⁵. This means that both jobs and houses are being
delivered across Auckland at increasing rates.
Furthermore, the map in Appendix 3 to this submission shows a pattern of larger developments within the Rapid Transit Networks (RTN). The graph below shows that while only 2.6 per cent of Auckland’s land area falls within 1500m walk of a Rapid Transit Network (RTN) station, 41 per cent of all multi-unit developments consented 2017/2018 was located in the RTN catchments.

3 Section 79 of the Local Government (Auckland Council) Act 2009 requires Auckland Council to prepare and adopt a spatial plan for Auckland.
4 Business floor space increased by almost 30 per cent in 2018/2019 compared with the previous reporting year and 14,032 new residential dwellings were consented in 2018/2019, an increase of 13 per cent from the previous reporting year.
5 83 per cent of new dwellings consented, and 77 per cent of dwelling completions in 2018/2019 were located within Auckland’s existing urban areas. Auckland Plan 2050 Development Strategy Monitoring Report (2019) https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/aucklandplan/about-the-auckland-plan/Pages/development-strategy-progress.aspx This is a strong indication that both employment space and housing is being delivered across Auckland at increasing pace, and in accessible locations that provide for housing choice.


PART 2: Summary of feedback

Introduction

The provisions proposed in the NPS UD broadly support and assist with the implementation of the council’s development strategy in the Auckland Plan 2050. However, some key issues require rethinking and/or additional work. There are also proposed policy directions under the NPS UD that do not align with Auckland’s direction. These are highlighted below.
Further detailed comments are provided in Part 3 of this submission which address each section of the NPS UD document.

**Achieving a workable solution**

Auckland Council wishes to maintain a dialogue with MfE and MHUD post the NPS UD submission period to assist with the development of workable and practical solutions to achieving some of the policies proposed in the NPS UD, including the consideration of definitions and timing.

The NPS UD discussion document proposes a number of requirements that all have three-yearly policy cycles. As well as the requirements for producing or updating Future Development Strategies and Housing and Business Assessments, local authorities would also have to integrate with other related policy and implementation requirements such as the Long-term Plan. Council’s experience is that a longer timeframe (such as six years) for reviewing and updating Future Development Strategies would be more appropriate and would provide more opportunity to see trends and assess policy implications through monitoring, before embarking on further change.

**National direction and local intervention**

The council is concerned about the balance between the level of national direction and the level of local intervention through requirements of the NPS UD. Some of the proposed objectives and policies go to a level of detail that directs local authorities to make decisions or changes to planning documents on issues that ignore local context (for example, location and density of intensification, removal of car parking requirements). The council is of the strong view that this level of prescriptive detail does not belong in an NPS and will undermine the very outcomes sought. An NPS that is descriptive of the outcomes enables local context to be applied and will ultimately achieve all of the outcomes sought, not just some. These detailed prescriptions should be removed from the final NPS UD.

**Providing for quality**

Council agrees with the intent of the NPS UD to include quality urban environment outcomes in addition to the requirements to provide enough capacity for growth. However, the concept of a quality urban environment is currently not well defined. This could undermine achieving the goals of the NPS UD.

In providing enough capacity, council and its CCOs acknowledge the importance of land use and integrated infrastructure coordination and are investing accordingly. However, more clarification is required to ensure that other factors vital to quality urban environments are also adequately considered in decisions. Significant work on understanding quality urban environments has been achieved through processes such as MfE’s Urban Design Protocol and Auckland Council’s Urban Design Manual.

In the discussion document, Council is particularly concerned about the disconnect between the level of detail provided in the explanation (preamble) of a quality urban environment and what is reflected in the objectives (particularly O2) and policies which focus more on development capacity. The summary of the proposal for describing quality urban environments (pg 26) states that the NPS UD would give direction on what is meant by this through an objective that sets out a nonexhaustive description of the features of a quality urban environment. However, this does not follow through
into the draft objectives. Therefore, there is uncertainty as to how much weight will be given to quality as opposed to capacity in the final NPS UD.

The NPS UD also needs to take account of the many competing demands on local government resources. It needs to acknowledge the inevitable trade-offs that must occur to protect residents from current and future hazards, protect significant landscapes such as maunga or limited special character areas, protect the option value of productive agricultural land against an unknown climate future, and to provide sufficient housing and business development capacity close to jobs and transport access. The NPS UD should provide guidance on how to better weigh up trade-offs against the goals of the NPS.

The council wants to work with MfE and MHUD on developing NPS guidance, which needs to consider definitions and the practicalities of achieving some of the policies proposed.

**Recognition of Te Tiriti o Waitangi and matters of national importance**

The NPS UD needs to acknowledge Te Tiriti o Waitangi and the rights and interests of Māori affirmed by articles two and three. The inclusion of reference to Te Tiriti o Waitangi in the pre-amble would strengthen the context of iwi, hapū and whanau and ensure that development does not compromise the aspirations of tangata whenua. The Treaty principle of active protection places an obligation on the Crown and local authorities to provide for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu and other taonga. The Treaty principle of partnership should ensure that iwi and hapu are engaged in a manner that meets the threshold of partnership as opposed to being engaged as stakeholders.

Mana whenua participation and the integration of mātauranga Māori and tikanga in strategic land use planning and resource management decision-making and practice are of paramount importance to ensure a sustainable future for iwi, hapū and whānau and for Aotearoa as a whole. The NPS UD must reflect Māori aspirations in regards to their cultural, social and economic development, and their ability to enact kaitiakitanga.

**Housing affordability**

A key purpose of the NPS UD is to reduce regulatory barriers to the supply of housing and employment land to achieve greater housing affordability. As noted in the council’s submission to the Productivity Commission in 2015, the supply of land is only one part of a range of solutions needed across multiple areas to address housing affordability such as; funding and financing constraints, increased construction costs and the capacity and capability of the building industry.

As a result, the council advocates for a suite of tools to address the housing affordability challenge and argues that regulatory change on its own will not make a significant impact on housing affordability.

**Ad hoc development and infrastructure funding**

The funding/financing of infrastructure to support additional housing supply is fundamental to achieving the long-term outcomes outlined by the NPS UD. The council faces significant funding challenges, both in the short and long term. Council is very concerned about the level of proposed
prescription that provides for ‘out of sequence’ growth and/or proposals outside the areas that have already been identified for urban growth. Auckland’s new greenfield areas were assessed against comprehensive criteria and subject to extensive community and land owner engagement. Certainty has been given to landowners and infrastructure providers that it will be these areas where council will fund and provide bulk infrastructure in a staged manner.

There are three related issues of concern associated with the enablement of out of sequence development:

*High capital and operational costs associated with the provision of infrastructure*  
The magnitude of cost associated with providing bulk infrastructure is beyond even the financial ability of New Zealand’s largest developers. Bulk infrastructure is a public good and its provision needs to achieve the greatest public good rather than enable individual development benefit. Out of sequence or ad-hoc greenfield development proposals do not engender the greatest public good.

*Investment certainty*  
Good planning followed by committed infrastructure investment over time allows the development of an infrastructure investment pipeline that gives certainty to the development market. Constant changes to respond to out of sequence development reduce investment certainty and divert benefits from the community to the individual.

*Climate change and resilience*  
Auckland, in its commitment³ to the 2016 Paris Agreement has set a target to limit its average temperature increase to 1.5°C Celsius. Notwithstanding, extreme weather events such as high intensity rainfall and storm surges are likely to become more frequent, resulting in significant impacts and strains upon Auckland properties, regional infrastructure, coastlines, agriculture and local fisheries.

Auckland’s infrastructure has not been designed to manage the impacts of climate change and will require significant upgrading to absorb the effects of climate change on top of the anticipated growth. Also, emission targets will not be achieved if car dependant housing and development remains the norm.

Council recognises that a future regime that requires it to actively respond to out of sequence development may benefit some individual developers, but it does not believe that the development community as a whole, or ultimately the amount of housing supply, would benefit due to the potential diversion of actual infrastructure investment and the lack of infrastructure investment certainty that would result.

As proposed, the NPS UD also has the real potential to significantly detract from achieving its own intensification objectives and intensification of Auckland’s brownfield areas as resources are diverted away to address ad hoc, unplanned greenfield development.

³ aligned with the Climate Change Response (Zero Carbon) Amendment Bill and C40 Cities Climate Leadership Group
**Housing and Business Assessments**

The additional requirements of the HBA are complex and generally considered to be unworkable. The Ministry for the Environment needs to be mindful of the ability of local government to resource the additional requirements being introduced through the NPS UD.

Specific and detailed comments and suggestions for amendments are provided in the Appendix to this submission. The council wants to work with MfE and MHUD on refining these.

**Alignment with other national direction**

Auckland Council is submitting separate feedback on the proposed National Policy Statement on Highly Productive Land (NPS HPL) and the Essential Freshwater Management package. It is aware that central government is also working on discussion documents for a proposed National Policy Statement for Indigenous Biodiversity (NPS-IB) and a proposed National Environmental Standard for air quality (NES air quality) for consultation later this year. There also needs to be consideration of alignment with initiatives through the urban growth agenda including Resource management reforms and National planning standards.

Council supports national direction instruments being compatible and aligned to enable good decision-making that provides for New Zealand’s environmental, social, cultural and economic wellbeing. Integration between national instruments is absolutely critical to achieving the outcomes and, as drafted, the various instruments are not consistent.

The main inconsistency between the NPS UD and NPS HPL relates to the price differential of urban and rural land. The NPS UD seeks that this differential must be reduced. However, in identifying highly productive land and placing appropriate restrictions on its use outside of primary production, the value of this land will be significantly lower than urban land. This is because the value of this land for speculative future urban or lifestyle development will be significantly reduced. This tension should be resolved between the two NPS’s. Part 3 to this submission, provides more detail on this issue.

In relation to the essential fresh water management proposals, Council considers there is an opportunity to better reflect its aspirations in the NPS UD through inclusion of additional policies that require councils to:

- use urban development to protect and enhance natural environments
- ensure that future urban development is future-proofed (e.g. adapting to a changing water future)
- incorporate Te Mana o te Wai as a key principle for urban development planning.
- incorporate a requirement to avoid, remedy or mitigate any proposed stream loss through infilling when developing future development strategies and assessing resource consent applications.
Part 3: Consultation questions

This part of Council’s submission provides feedback on specific proposals suggested in the document. Where appropriate, amendments have been suggested. Further technical detail, particularly on the HBA proposals, is provided in Part 4: Appendix to this submission where required.

Question 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?

Auckland Council supports a National Policy Statement on Urban Development where the intent is to facilitate long term strategic planning to accommodate growth and deliver quality urban environments. Council also supports monitoring and maintaining an evidence base to inform the location and form of growth needed along with the required supporting infrastructure.

Council is, however, of the strong view that the NPS UD should not prescribe urban outcomes at the local level as this is more appropriately addressed through regional and district plans and other mechanisms outside the Resource Management Act, where local context can be taken into account.

There is an opportunity through the NPS UD to have a strong directive that requires quality urban outcomes to be achieved. However, as noted in Part 2 of this submission, the meaning of ‘quality urban environment’ must be clearly defined. There is already a significant body of knowledge on quality urban environments been built up through research and design projects such as MfE’s Urban Design Protocol and Auckland Council’s Urban Design Manual. Council also has experience in contributing to quality urban environments through initiatives such as structure planning processes, running Urban Design Panels and integrating Te Aranga design principles. Council welcomes the opportunity to help define quality urban environments.

Council can also help to facilitate a dialogue between central government and Tamaki Makaurau Māori on issues relating to how mana whenua values are integrated through national policy direction under the Resource Management Act.

Question 2

Do you support the approach of targeting the most directive policies to our largest and fastest growing urban environments? Why/why not?

Most high growth councils are already on the way to achieving many objectives of the NPS UD. Through the Auckland Unitary Plan, Auckland Council has already enabled one million more dwellings in existing residential zones and almost another million in the city centre, town centres and mixed use zones. For Auckland Council, and possibly other high growth councils, challenges exist not in planning but in how to equitably fund bulk infrastructure (social and physical) to cater for growth. It is neither desirable nor logical to simply enable more homes in the absence of the things that allow communities to have a quality of life.

Question 3

Do you support the proposed changes to Future Development Strategies (FDSs) overall? If not, what would you suggest doing differently?
Council supports the overall concept of requiring Auckland to produce a Future Development Strategy (FDS).

Council adopted its first Future Development Strategy (FDS), under the NPS UDC, in June 2018. The council’s FDS was developed as part the Auckland Plan 2050 process which refreshed Auckland’s first spatial plan (the 2012 Auckland Plan).

The Auckland Development Strategy meets the requirements of both the Local Government (Auckland Council) Act (LGACA) and the NPS UDC. It covers the four well-beings, focused on a quality compact approach to growth. This goes further than development capacity as required by the NPS UDC and covers issues of quality as proposed by the NPS UD.

The council supports aligning planning processes. The 2012 Auckland Plan provided a strategic, 30 year view which the council was then able to use as a basis for developing policy, in particular the Auckland Unitary Plan. Policy development has continued with the development of the Future Urban Land Supply Strategy in 2015 (refreshed in 2017). This sequenced the 30-year supply of greenfield land identified in the Auckland Unitary Plan. Council is therefore able to address on-going greenfield capacity by planning and coordinating the provision and funding of bulk infrastructure for future communities, primarily through its Long-term Plan.

The council timed its refresh of the Auckland Plan with the development of the 2018 Long-term Plan. This aligned thinking on infrastructure provision through council’s 30-year Infrastructure Strategy and provided efficiencies in terms of integrating direction on planning and infrastructure provision with funding. The size of Auckland’s network infrastructure investment (estimated at over $21 billion for bulk infrastructure in future urban areas) means that council has to think carefully about where it will get the greatest public return for its investment. A Future Development Strategy is helpful in this regard.

Council would also like to highlight that funding considerations include both capital and operational investment. Ongoing funding for maintenance of infrastructure, or providing services associated with that infrastructure, is a major budget component for local government. Greater visibility of what infrastructure (network and social) is required, and when it is required, creates opportunities for economies of scale when multiple areas of growth are planned. A Future Development Strategy is again helpful in this regard.

The digital nature of Auckland’s Development Strategy means aspects of the strategy (e.g. monitoring) can be updated on an on-going basis, retaining its currency.

However, the council suggests the proposed three-yearly review period (Policy1i) of the FDS should be six-yearly. Council’s experience in developing two versions of the Auckland Plan Development Strategy is that a three-yearly cycle of review/updating would be too frequent as:

- it does not allow sufficient time to embed consequent policy (such as Auckland Unitary Plan provisions, and funding through the Long-term Plan)
- policy changes will not be based on sufficient trend analysis
- it is not long enough to understand, through monitoring, the impacts of major changes to strategy/policies
• potentially re-orienting strategy may hinder delivery of bulk infrastructure which requires long lead-in times and support from associated regulatory processes or LTPs.

The proposed review process for FDS has the potential to be resource hungry. Clarification is sought as to what is required for updates and the level of work, on scenarios particularly, that would be needed to meet requirements. Rather than engaging in continual review of the FDS, it would be better to put resources into longer term monitoring and integrating planning and infrastructure provision. This will provide greater certainty for councils, infrastructure providers, developers and the wider community. It will most likely also result in more actual, ready to develop capacity.

The council also requires clarification on the weight that will be given to FDS under RMA processes. This is because FDS’s provide the strategic approach to be taken into account as part of considering RMA proposals, such as plan changes.

**Question 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?**

Council generally supports a descriptive approach of the NPS UD providing national level direction about the features of a quality urban environment at a regional and district level. This would allow local authorities to determine quality aspects at a local level, taking account of local context. Council is of the view that the list suggested for the preamble should be expanded to be more holistic and in particular reflect sustainable design-based considerations such as:

- promoting quality-built form
- providing broader connectivity outcomes
- integrating land use and transport.

Council considers that the suggested Objectives 2 and 3, together with Policies 2A and 2B, bear little relationship to how to achieve a quality urban environment as described on pages 26 and 27 of the discussion document. As currently drafted, the provisions will add considerable complexity, cost and time to consent processes and not actually achieve the intent of the proposal which is to give direction on what is meant by quality urban environments, both existing and future.

Policy 2A introduces the concept of “limiting as much as possible the adverse impacts on the competitive operation of land and development markets”. It is very unclear how this policy would be interpreted and implemented in decision making.

Council considers that Objective 3 sets up a subjective/qualitative approach to enabling development. Auckland Council strongly suggests that the objectives and policies for describing quality urban environments require redrafting to provide clear guidance on what is meant by this.

**Question 5**

**Do you support the inclusion of proposals to clarify that amenity values are diverse and change over time? Why/why not?**

Council supports a policy framework that acknowledges that many areas of Auckland will grow and intensify and therefore change over time as development happens.
Where a concept such as amenity value is defined in the RMA, the NPS UD should provide consistency with this approach.

In the regulatory environment, being able to move beyond the focus on current amenity values to consider future amenity values has the potential to unlock development potential and community outcomes. For example, in Auckland the Mixed Housing zones and Terraced Housing and Apartment Buildings zone do not have limitations on density. Rather, building envelopes are defined by relevant development standards and the attributes of individual sites. Planning assessments generally ignore the future planned amenity and only assess effects of development upon the existing amenity values of neighbouring sites. This results in misalignment with the strategic vision of the city, the anticipated built form described in the zone descriptions and constrains development.

Auckland Council therefore agrees that there should be recognition that amenity values will change over time, and allow for the future amenity of areas identified for redevelopment at scale to be accommodated today. However, the council believes the location of such redevelopment areas is a matter of planning at the local level. In these areas, amenity values should be flexible to meet the future amenity as intended for the zone.

A blanket approach to creating development capacity, as parts of the NPS UD currently propose, will however come at the expense of residents’ future enjoyment of a city or region’s unique and established amenity values. Auckland Council therefore advocates that achieving a balance between retaining aspects of the established amenity values in some locations and creating the future planned amenity values in other locations under the umbrella of quality, will lead to successful outcomes.

Council is therefore strongly of the view that the NPS UD should describe and set national direction regarding amenity value and the outcomes sought. However, how and where this is to be applied is a matter to be determined at a local level. Council would like to work with central government to determine where the line is drawn between what sits at the national policy level and what is retained at local decision making level.

**Question 6**

**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?**

Council does not support adding the requirement to provide development capacity based on the concept of “likely to be taken up” for reasons as follows.

The concept of ‘likely to be taken up’ is not sufficiently explained nor defined. Council does not understand how we could realistically forecast development capacity that is likely to be taken up. Council’s view is that ‘take up’ is not a planning issue but an implementation matter, influenced by factors such as infrastructure funding and financing, a softening property market, construction costs, lack of scale/capacity in the developer/construction sector etc. Using past building consents as an indicator is also not indicative of the likelihood of future development and cannot be used to predict ‘take up’.

The concept of feasible development capacity used in the NPS UDC 2016 is carried forward into the proposed NPS UD. Council is of the view, and has indicated so previously, that the concept of feasible
development capacity should be approached with caution and should not be used to project medium and long term demands for dwellings and business land.

Furthermore, council does not support introducing ‘bottom lines’ to replace targets as a requirement to be included in plans. This amendment will not improve the management of demand for development capacity. The revision of policies and plans to address shortfalls, which are based only on planning factors, may not achieve desired outcomes. Council has particular concerns regarding the implications for funding of infrastructure to support growth when based on housing and building development capacity assessments only. As discussed above, many reasons could be contributing to shortfalls. All these factors should be considered in the discussions with the minister proposed under Policy P4B of the NPD UD.

For more information, please refer to Part 4 of this submission.

**Question 7**

**Do you support proposals requiring objectives, policies, rules, and assessment criteria to enable the development anticipated by the zone description? Why/why not?**

Council supports zone descriptions providing clear direction on future anticipated built environments. These descriptions must serve as a benchmark to ensure that development will be consistent with the desired outcomes of the specific zone.

Aligning with the council’s view on proposed National Planning Standards, each zone description must have a degree of flexibility in what the zone seeks to achieve, to accommodate outcomes sought by place-specific provisions. The National Planning Standards provide for ‘overlays’ and ‘zone- specific layers’. The resulting future anticipated/planned built environment may well be a combination of all of these layers.

**Question 8**

**Do you support policies to enable intensification in the locations where its benefits can best be achieved? Why/why not?**

Council supports the intent behind policies to enable intensification in the locations where its benefits can best be achieved. Enabling intensifications in locations that have attributes such as access to transport, employment and education has long been a focus of Auckland Council planning. It is articulated through the Auckland Plan and the concept of a ‘quality compact Auckland’ has been translated into the Auckland Unitary Plan.

The Auckland Unitary Plan has a number of zones where high density typologies are anticipated, and plan controls enable intensification in these zones. This does not mean that there may not be additional locations suitable for intensification zoning, nor that plan provisions could not allow more development capacity in some locations. In this regard, Auckland Council continues to monitor the implementation of the Auckland Unitary Plan rules to ascertain whether they are achieving the anticipated outcomes. An example is the recent work with MfE on the Terraced Housing and Apartment Building zone. The council also continues to undertake various forms of spatial and master planning to identify and enable intensification and optimise community outcomes.

Council supports P6C Option 1: Descriptive Approach. It aligns to the approach taken by council at a local level. This enables territorial authorities to undertake a suite of spatial planning exercises that
consider and responds/reflects the many unique qualities of their diverse environments. For example, Auckland has a number of centres adjoining coastal locations that are low lying and subject to exposure as a result of the effects of climate change. There are equally centres, such as Titirangi, that have very steep topography immediately surrounding the centre. This is where local context and decision making needs to lead over national directives.

P6C Option 2 is not supported as it will compromise local urban development outcomes.

Prescriptive policies for enabling intensification should not be set through an NPS. Having prescriptive policies for intensification could, in the short term, override the controls of district plans with developers using the NPS UD to then override the unitary plan policies. This will result in adverse effects in certain localities where such development is not feasible, nor desirable. For instance, some areas of Auckland have stormwater and wastewater constraints and are not able to sustain high levels of development without substantial investment in upgraded infrastructure. The NPS UD should not provide ‘justification’ for such development until this infrastructure is provided.

The council supports the NPS UD providing clear direction to local authorities to ensure that urban development opportunities are provided around frequent public transport services. However, what ‘frequent’ means to an individual area is best determined at the local level. The council does not support using a ‘one size fits all’ approach to defining Frequent Transit Network. The NPS needs to acknowledge there are local differences in public transport provision across the country. For instance, Auckland differentiates between rapid and frequent services.

**Question 9**

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?

Council does not support providing for out of sequence or new greenfield development as proposed.

Development opportunities in future urban areas (greenfields) are an important part of Auckland’s strategy to accommodate growth. The council has done significant work to identify the amount and location of land needed for future urban development over the next 30 years.

The Auckland Unitary Plan identifies greenfield land for development at scale (15,000 ha), enough for at least 30 years of growth. Further, the Auckland Unitary Plan already enables private plan changes for urban development in rural areas, subject to assessment against a range of criteria in the Regional Policy Statement.

To ‘release’ land identified for future urbanization efficiently, Council adopted a future urban land supply strategy (“the FULSS”) in 2017. It sequences and times these areas for live zoning with the necessary bulk infrastructure in place. The FULSS was widely consulted on and is a valuable tool for infrastructure providers, the council, landowners and developers. Council must have the ability to continue to comprehensively plan and invest, particularly through the FULSS and LTP processes.

Providing all infrastructure (including the three waters, transport, health, education and open space) is key to enabling successful urban outcomes. Capital and operational costs associated with this are significant and beyond the financial ability of even New Zealand’s largest developers. Bulk infrastructure costs for these future urban greenfield areas are estimated to be at least $21 billion.
To date, the costs associated with providing this infrastructure have been largely borne by council. It is estimated that under current funding practices, the costs of infrastructure in the future urban areas will be three quarters funded by the taxpayer and rate payer. There are already shortfalls in funding infrastructure. For example, in Auckland’s south there is an immediate transport funding shortfall of over two billion dollars. Promoting out of sequence or new greenfield development will simply exacerbate this issue.

In Auckland, debt ceiling limitations mean that the forward infrastructure work programme to support growth has little margin for change without major implications. Bringing a contest of locations forward through this policy will almost immediately affect the council’s balance sheet. It will also divert infrastructure from other areas, impacting housing yields in those areas.

The argument used that special purpose vehicles separate these costs from the council’s balance sheet does not escape the fact that very rarely can costs associated with otherwise unplanned development be ring fenced and apportioned completely away from the general ratepayer.

Also, of the 14,000 dwellings consented in Auckland in the 2018/2019 year, 83 per cent were in the existing urban area and 10 per cent in the future urban area. As proposed, the NPS UD has the real potential to significantly detract from achieving its own intensification objectives in brownfield areas through resources being diverted away from these areas to address ad hoc, unplanned greenfield development.

Council is concerned that an NPS level of greenfield policy, may have the effect of redirecting resources in an ad-hoc way and will undermine a robust and comprehensive approach to future urban growth.

Good planning followed by committed infrastructure investment over time allows the development of an infrastructure investment pipeline that gives certainty to the development market.

**Question 10**

Do you support limiting the ability for local authorities in major urban centres to regulate the number of car parks required for development?

Auckland Council considers that this level of prescription proposed in the NPS UD is inappropriate as this level of detail is better determined at a local decision making level. Council supports an NPS that describes the outcomes to be achieved.

**Question 11**

Do you think that central government should consider more directive intervention in local authority plans?

Directive policies to enable quality urban development should not be set through a National Policy Statement. A blanket national approach will have many unintended consequences at a local level.

Council recognises that changes to the Auckland Unitary Plan, such as enablement of higher densities and increased height provisions may be required as a result of national direction, but how and where this is achieved must be determined at a local level.

The suite of standards for development in district plans work together as a package to ensure quality outcomes, at all scales, from catchment level to individual sites. Amending one element of this
package will impact other elements. For example, site coverage rules have a correlation with stormwater and the infrastructure solutions required. Council’s need to retain their discretion over the package of standards, particularly in higher density zones, to ensure catchment, inter-site and on-site impacts are reasonably managed.

**Question 12**

**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?**

Council supports the requirements for all urban environments to assess demand and supply of development capacity and monitor a range of market indicators. This will add to the body of information required for making decisions on the amount and type of urban development needed in different locations. Data, information and evidence bases are currently limited in the urban development space.

The information gathered should inform spatial delivery strategies and will help local authorities understand their local housing and business markets. It will also be useful information for preparing plan changes required to respond to growth in urban areas.

Council considers that equivalent evidence should be collected on business so that both are given equal weight when decisions are being made. There is a risk that the objectives of the NPS UD will be undermined if council’s are not required to collect an appropriate level of evidence on business. Points b-e in P8B should therefore also apply to business land with e) relating to the affordability of business land.

Auckland Council does not believe that the lessons from the first generation of HBAs have been adequately translated into the proposal in the NPS UD discussion document. A section 32 report, providing the technical basis on which the HBA provisions have been justified particularly the proposed changes, would enable more informed feedback on the requirements.

Council considers that there could be value in setting up a specific working group of central government and council officials to focus on agreeing practical and workable solutions for the requirements of the Housing and Business Assessment section of the NPS UD. Any monitoring framework required under the NPS UD would need to be kept simple and practical to ensure that councils are able to adequately resource and fund this work.

Specific comments on policies relating to HBA’s are included in Appendix 1 to the submission.

**Question 13**

**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?**

Council supports the intent to improve how local government works with iwi, hapū and whānau to enable their development aspirations. Development aspirations should be broadly defined to encompass development that enables iwi, hapū and whānau cultural, social and economic wellbeing, while enabling kaitiakitanga.

Strategies, policies and plans should reflect Māori interests, values, aspirations and customary rights as opposed to being narrowly focused on issues of concern.
There needs to be an awareness of the contextual differences of each Māori group in reference to the different articles of Te Tiriti o Waitangi. Article 2 recognises the place of iwi and hapū who are mana whenua in the area. Mataawaka or Māori communities represent a significant proportion of the Māori population of Auckland. Many have a desire to connect to their culture and traditions in an urban setting.

The rangatiratanga of iwi and hapū needs to be recognised as well as the right of all Māori to express Māoritanga, as affirmed by Articles 2 and 3 of the Treaty. Local authorities should engage with iwi and hapū at strategic decision-making levels. The wording of the objectives and policies could be clarified to take into account the following points:

- enabling iwi and hapū to give effect to their responsibilities as kaitiaki in an efficient and effective manner
- Māori being able to see themselves and their values reflected in the urban environment.

**Question 14**

**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?**

Auckland Council supports amendments to the NPS UDC 2016 to include working with providers of development and other infrastructure, and local authorities cooperating to work with iwi and hapū.

**Question 15**

**What impact will the proposed timing for implementation of policies have?**

The NPS UD suggests specific timeframes in which its various provisions are to be implemented.

Of particular concern to council is the proposal that HBA’s, Future Development Strategies and policies setting bottom lines are updated every three years. In answering question 3 of this submission, the council suggests the proposed three-yearly review period for FDS and HBA’s should be six-yearly. A three-yearly cycle of review/updating would be too frequent as it does not allow enough time to understand the impacts of policies before they would need to be reviewed again.

Quarterly timeframes are also suggested for monitoring housing indicators. Council has, through the NPS UDC, provided quarterly updates on required indicators. However, it is noted that some indicators require QV information which is only updated nationally on a three-year rotating basis. This is discussed further in Appendix 1 of this submission.

**Question 16**

**What kind of guidance or support do you think would help with the successful implementation of the proposed NPS UD?**

As discussed in Part 2 and the answer to question 4 of this submission, clarification is required on how to define quality urban environments. This includes clarification to ensure that other factors vital to quality urban environments, such as promoting quality built form, proving broader connectivity outcomes and integrating land use and transport are adequately considered in decisions. The NPS UD should also provide guidance on how to better weigh up trade-offs against the goals of the NPS UD.
Not a matter of guidance, but as discussed in Part 1 of this submission, the extent of infrastructure funding required across New Zealand to service growth, along with the obligations placed upon councils through this NPS UD, will need to be addressed.

Council also seeks that Good Practice Guidance documents be developed with supporting case studies demonstrating how to foster successful partnerships between iwi, hapū, whanau and local authorities. For the NPS UD to be effectively implemented, this guidance will assist local authorities in understanding how iwi and hapū are to be appropriately resourced in developing their capacity and capability to effectively participate in the plan development and resource management decision-making processes. This includes the development of iwi management plans.

Questions 17 and 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.

Do you think a national planning standard is needed to support the consistent implementation of proposals in this document? If so, please state which specific provisions you think could be delivered effectively using a national planning standard.

Auckland Council is submitting separate feedback on the proposed National Policy Statement on Highly Productive Land (NPS HPL) and the Essential Freshwater Management package. It is aware that central government is also working on discussion documents for a proposed National Policy Statement for Indigenous Biodiversity (NPS-IB) and a proposed National Environmental Standard for air quality (NES air quality) for consultation later this year.

Council supports national direction instruments being compatible and aligned to enable good decision-making that provides for New Zealand’s environmental, social, cultural and economic wellbeing. Integration between national instruments is absolutely critical to achieving the outcomes and, as drafted, the various instruments are not consistent.

The main inconsistency between the NPS UD and NPS HPL relates to the price differential of urban and rural land. The NPS UD seeks that this differential must be reduced. However, in identifying highly productive land and placing appropriate restrictions on its use outside of primary production, the value of this land will be significantly lower than urban land. This is because the value of this land for speculative future urban or lifestyle development will be significantly reduced. This tension should be resolved between the two NPS’s.

The key link between the NPS’s is through the NPS UD’s requirement for councils to prepare a FDS and through that process identify “areas where evidence shows that urban development must be avoided” (P1D(a)). However, it is suggested that this linkage should be made more explicit and the policy should provide examples of the types of land to be avoided for greenfield development, including HPL. For more detail on this matter please refer to section 13 of Auckland Council’s submission of the NPS HPL.

In relation to the essential fresh water management proposals, Council considers there is an opportunity to better reflect its aspirations in the NPS UD through inclusion of additional policies that require councils to:

- use urban development to protect and enhance natural environments
• ensure that future urban development is future-proofed (e.g. adapting to a changing water future)
• incorporate Te Mana o te Wai as a key principle for urban development planning.
• incorporate a requirement to avoid, remedy or mitigate any proposed stream loss through infilling when developing future development strategies and assessing resource consent applications.

Definition of Development Infrastructure (Appendix 2)
Council suggests that Appendix 2 of the NPS UD includes a comprehensive and clear definition of ‘development infrastructure’. As currently proposed, the definition does not adequately distinguish between ‘bulk’ and ‘local’ infrastructure and what infrastructure is provided by the developer as opposed to council/infrastructure providers.

The definition requires clarification with respect to how it is used in Policy P4A under Making Room for Growth: Enabling opportunities for development.
Part 4: Appendices
Appendix 1: Technical feedback on HBA provisions

Preparing a Housing Business Development Capacity Assessment (HBA) (Appendix 3)

Overall policy framework

Council supports the overall intent of the Housing and Business Assessment (HBA) however there are a number of issues that will need to be resolved before the requirements will be workable and practical.

Housing and Business Development Capacity Assessments (HBA’s) are currently required as part of the NPS UDC and the discussion document proposes to build on those requirements. These assessments are a fundamental part of the policy framework proposed as part of the discussion document.

Auckland Council has significant experience in considering and applying the assessment findings to decision making and plan development, infrastructure planning and spatial planning, and then defending these approaches and processes in Environment Court and similar contestable processes.

Technical experts within council consider there are significant areas within the proposed NPS UD provisions for HBAs that need to be clarified or amended to make them workable. These views are based on our extensive experience of developing, explaining and applying similar provisions in both evidence development and decision-making practice.

Council is of the view that the processes and criteria proposed in the body of the NPS UD are heavily dependent on the requirements of the HBA. In particular, they form the basis for the FDS requirements. The changes made to the HBA in Appendix 3 of the Discussion Document are, in council’s view, significant and some requirements will be extremely difficult to satisfy.

The HBA product needs to be fit for purpose, understandable and provide a valuable resource for making policy decisions.

Development of the first generation HBAs (under the NPS UDC) required councils to dedicate significant resources (time, expertise and budget) to the task. As a large council Auckland was able to apply in-house knowledge. It also supplemented this with work from consultants to address specific technical requirements where council did not have the technical expertise. We are aware that many of the smaller councils had to rely heavily on consultants.

Larger centres have already addressed many of the concerns raised through the NPS UD in a way that reflects their local context. Therefore, the cost to major urban centres will mainly be in complying with the detail embedded in the HBA polices, of which the net benefits are unclear. Council considers that costs aside, there has been insufficient consideration of the potential ability of non-major urban centres to comply with the proposed requirements, not the benefits they will gain from it.
Frequency of developing/updating an HBA

Council proposes that Future Development Strategies are reviewed every six years, (see discussion on Achieving workable solutions in Part 2 of this submission). To align with this there would be merit in updating Housing and Business assessment reports on the same six-yearly basis with more regular monitoring of appropriate indicators (for example through quarterly monitoring requirements) to understand changing market factors and trends that could feed into FDS and HBA reviews.

Affordability

Council considers that supply side provisions alone are not sufficient to improve affordability and that urban planning requires linkages across all policy areas. Even if all regulations are removed, the NPS UD does not address how a competitive market will deliver affordable housing.

Council strongly supports providing RMA provisions that could directly address affordability, which may include inclusionary zoning for example. Experience and evidence show that the market alone cannot and will not deliver “affordable housing”.

Working with stakeholders

The council supports collaborative ways of working. The discussion document states that “in carrying out the HBA, local authorities must seek and use input from the property development sector, (including major landowners and social housing providers where relevant), requiring authorities, and the providers of development infrastructure and other infrastructure.” The input from all the stakeholders mentioned would add to the robustness of the HBA. However, it is suggested that the term ‘use’ be replaced with ‘take into account,’ which is the more accepted RMA term. This better reflects the balancing of potentially conflicting or contrary information and views that the council will have to undertake.

Specific comments regarding concepts in AP1 – AP17

The main areas of concern, in policies AP1-AP17, are discussed in the sections below. The council is concerned about the inclusion of the following concepts:

- bottom lines to replace targets
- scenarios
- arbitrary margins
- current feasibility as a 30-year forecasting tool
- introducing the term ‘likely to be taken up’
- land differentials as an indicator.

Our concerns are how these individual concepts are framed and used within the HBA policies. They have cumulative impacts that magnify the amount of information required to be provided by councils beyond what is reasonable and practical. The HBA policy requirements need to be simpler, understandable and fit for purpose.

Replacing targets with bottom lines

Council would like to reiterate that it favours the use of ‘targets’ over ‘bottom lines’ (see discussion in answer to question 15 of this submission) and suggest that the table is amended to reflect this.
Requirements for scenarios

There is merit in councils considering the appropriateness of using a high, medium or low growth scenario as part of their strategic planning. This would align with other strategic planning that council are required to do, particularly infrastructure provision through the 30-Year Infrastructure Strategy and Long-term Plans.

However, the need to develop and test multiple population growth scenarios with a range of variations, as envisaged in this policy, is excessive. For example, three population growth scenarios, each with three household formation assumptions, each with three future income variables would result in a possible 27 demand ‘scenarios’, all of which would need to be modelled and compared with potentially as many supply responses.

A critical point is that major infrastructure and planning requires long lead times and once committed can rarely be altered without significant additional costs (and rarely without significant additional delays).

The important step in the process is how to choose the most appropriate scenario to take forward in planning. The policy as proposed leaves open the question of how the main scenario would be selected - irrespective of the range or total number of scenarios.

The council suggests that the requirements for scenarios (AP2) are amended to require that:

*Every HBA must provide the rationale for the population growth projection chosen (i.e. high, medium or low).*

Appropriateness of the margins proposed

Council is of the view that, while the proposed margins (15% and 20%) are the same as those used in the NPS UDC 2016, they are arbitrary. The council suggests that more work needs to be done to determine an appropriate buffer or any alternatives.

With regard to price differential-based triggers, council considers that the Urban: Rural price differentials do not provide insight into relative supply/demand pressures within the urban (or rural) land markets. Given limitations on methodology and data availability (i.e. inputs to determine the differential) council is of the view that the measures may be unsuitable for the stated purpose. Council therefore does not support their use.

The consideration of high, medium or low projections (AP2) together with the addition of margins as required by the proposed HBA have a real-world implication on council funding and delivery of infrastructure. Given the direction in other policies (e.g.AP2) to use a range of scenarios and the arbitrary nature of the margins, the council questions whether the range of scenarios, as well as a margin, is necessary.

Current feasibility as a 30-year forecasting tool

Council has previously provided comment on using current feasibility (today’s ‘market’) to forecast over 30 years. It is suggested that amendments are made to the Table in AP4 to provide some flexibility for councils in how this information is used in relation to bottom lines.
Introducing the term ‘Likely to be taken up’

The concept of ‘likely to be taken up’ is a significant addition to the NPS UD. However, this concept has not been explained or defined.

The suggestion of using past building consent information is not helpful as it does not indicate the likelihood of future development. If the past rate of building consents is not sufficient to meet future demand, the outcome will presumably predict a future shortfall. The argument then becomes circular because it will be challenging to break the under-build cycle.

An alternative perverse outcome is that a past rate of consents provides an expected ‘minimum’ or baseline level of future development, regardless of the actual ‘sufficiency’ of development capacity or market interest to deliver this.

It is not possible to make a robust, repeatable, objective, and defendable forecast of ‘what is going to happen’ over any timeframe beyond the immediate future. Past examples of the difficulty of undertaking this type of forecasting can be found in case law on Financial Contributions (Rodney District Council) and early Development Contributions (North Shore City Council).

Council is of the view that this concept should not be taken forward into the final NPS UD.

Price efficiency indicators

The use of various indicators, and other methods, to determine how planning may affect supply and dwelling prices is supported in principle. Council considers that the main purpose is to examine changes over time and for these indicators to be useful tools in understanding efficiency of land use comparative over time.

However, council does not support the compulsory use of the price efficiency indicators proposed in the NPS UD. In their current form they are not robust and would not provide insights helpful in understanding the impacts of the market and how it interplays with planning:

Council considers that there are issues with both the data and methodology proposed:

- there is no post-Auckland Unitary Plan evidence that the Rural Urban Boundary imposes a price premium.
- analyses do not account for the net area and cost requirements of converting larger sites into smaller ones. For instance, larger sites within the same zone are generally worth less on an average value per square metre rate than smaller sites. There is a need to account for differences between the retail price of ‘subdivided, developed sections less the land under roads and reserves’ and the price of ‘raw materials’ for all those things, being un-serviced rural land.
- the price differential can only be updated using comprehensive valuation data. This is collected nationally, on a staggered three-yearly cycle. Therefore, the indicator will remain constant for three years and may not align to the proposed HBA cycle.
- valuations are not a true reflection of actual sales prices of the land.
- the basis for premiums on building consent prices proposed are not robust.
- no account is taken of infrastructure costs that are not borne by the developer (i.e. bulk infrastructure).
• the peri-urban (lifestyle) nature of much of the area adjacent to Auckland’s rural urban area boundary.
• the flawed method used for the price-cost ratio i.e. using stand-alone residential sales data only and the imperfect value data associated with building consents.
• the relationship between household income and house price is only relevant to first home buyers who do not already have equity, and even in these relatively simple cases is only indirectly related to actual weekly/monthly housing expenditure (see for example the MHUD HAM measure and AC SAM measures).
• changes in interest rates, LVRs, mortgage terms and bank appetite for risk can all play a much larger and dynamic role than planning in this space. This may be significantly negatively affected by attempts to effectively strip wealth/equity (bank security), by reducing house and land prices). Debt to income or repayment to income measures will be required to determine such impacts and are all retrospective.
• accurately forecasting future interest rates over a 30-year period is not realistic.

Council considers that price differentials do not necessarily indicate a flaw in the planning system. Applying the information from such indicators in their present form could lead to a short-term policy approach that does not incorporate future value or potential. For example, where industrial land which has specific locational requirements is ‘protected’ from encroachment by land uses which do not have such specific needs (e.g. residential). Measures, if any, should take account of current planning rules, be based off actual sales rather than QV values, account for amenities such as proximity to jobs, the water or public transport, and account for the full cost of infrastructure that makes greenfield land developable. Measures (proposed in the discussion document) do not do this and instead assign all difference to ‘regulation’.

Research on how plans constrain or enable supply should be undertaken by councils prior the HBA’s. Furthermore, scientific evidence should be developed relating to whether there is a correlation between more land supply and improved affordability. This claim has to date been proved to be misleading relative to the NPSU DC (refer Fernandez (2019)) and therefore focus in the NPS UD is too narrow. It is suggested that links be made with other policies such as Kiwibuild and inclusionary zoning.

Given these issues above, council suggests that central and local government work together to develop a fit for purpose set of price efficiency measures that isolate the role or impact of ‘planning’ from other explanatory or confounding impacts.

Price differentials are also raised in the NPS HPL discussion document, where increases in Urban: Rural price differentials are an expected outcome of the NPS HPL and speculative future urbanisation values attributed to peri-urban land would be rolled back to the underlying agricultural production value.

Tensions and alignment in the approach between the NPS HPL and the NPS UD are covered in Part 3 of the submission to the NPS UD.
Industrial zone price differentials

It will be difficult to objectively determine demand for different business tenures given that an individual’s business decisions are influenced through the process of trading off relative benefits and dis-benefits, costs and flexibility to lease (requiring a willing landlord), own and occupy or design and build. These trade-offs will be business (and business owner) specific.

There is also no planning rationale, rules or policies which could be altered to modify current tenure mix or limit or encourage different types of tenure even if ‘demand’ could be determined. The plan enabled development capacity of various locations exists independent of tenure – the planning rules, infrastructure (and market signals) are the same.

Work undertaken for the AUP feasibility assessment and for the NPS UDC (2016) specifically recognised that even calculating development feasibility in and of itself was considerably more complex than the ‘buy, develop, sell’ actor that is the basis of most residential feasibility models.

This is because the ‘feasibility’ calculations of a large supermarket chain or new store development would be quite different to that of, for example, a popular main street coffee shop, a spec industrial roller door developer, a 3PL company looking for temporary overflow storage or a tech start up.

To address the issues raised above, the following amendment to AP15 is recommended:

- that tenure be removed as a criterion for analysis (see also housing where tenure is not incorporated).

With regard to industrial land price differentials, the council recommends that the requirement to use these (AP16) is removed from the NPS UD as they do not provide insight to the current feasibility of the development of land.

Irrespective of the potential utility of the price differentials, industrial land price differentials are not relevant to non-industrial business land considerations.

To address these issues, the following amendment to AP16 is recommended:

AP16: Every HBA must to assess the plan enabled development capacity and commercial feasibility for business land over the short, medium and long term.

Suggestions to revise AP4

The table in AP4 is at the heart of many of the issues that have been raised about the revised HBA provisions. Bearing in mind the feedback in the above sections, the following amendments are suggested as a starting point for a conversation about how these provisions could be made more practical and achievable.

Council raises the following points related to the short, medium and long term in the table in AP4.

In the short term:

- only development infrastructure currently in place can be included – this would preclude infrastructure currently under construction or soon to be completed that could be available within the short term.
In the medium term:

- development infrastructure funded or financed by an external party is a much lower test than the LTP for councils. The linkage to the relevant policies (Providing for intensification and greenfields) should be made explicit.
- commercial feasibility should be added.

In the long term:

- incorporates a medium-term infrastructure definition which is problematic.

There is also a need to amend the proposed Objectives and Policies AP1 – AP17 as appropriate to clarify that:

- the policy applies to residential dwellings and not future urban and existing urban areas as stated
- the HBA assessment locations should be determined by the authority producing the HBA
- that medium and long-term feasibility can use scenarios, particularly those which include changes in costs and profits as the feasibility output.

Taking into account the above feedback, the following amendments to the table and text are suggested as follows:

<table>
<thead>
<tr>
<th>Time</th>
<th>Plan enabled capacity</th>
<th>Supported by development infrastructure</th>
<th>Feasible</th>
<th>Take-up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term (within 3 years)</td>
<td>The cumulative effect of all zoning, objectives, policies, rules, spatial layers and existing designations in operative plans for permitted, controlled or restricted discretionary activities.</td>
<td>The actual development infrastructure in place or under construction.</td>
<td>Commercially viable to a developer based on the current relationship between costs and revenues.</td>
<td>“Likely to be taken up”</td>
</tr>
<tr>
<td>Medium term (3–10 years)</td>
<td>As above plus additional development capacity in a notified plan.</td>
<td>As above plus additional development infrastructure funded in an LTP</td>
<td>Commercially viable to a developer based on the current relationship between costs and revenues, adjusted to account for reasonably expected changes in costs and revenues resulting from changes to planning and the balance between supply and demand.</td>
<td></td>
</tr>
<tr>
<td>Long term (10–30 years)</td>
<td>As above plus additional capacity identified in an FDS.</td>
<td>As above plus additional development infrastructure identified in an infrastructure strategy prepared under the Local Government Act 2002.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 2: Feedback from Local Boards
Manurewa Local Board feedback on the proposed National Policy Statement on Urban Development

The board supports the overall direction of the National Policy Statement. However, we have concerns about the implications of the NPS for local decision-making and growth infrastructure funding.

We believe that the final version of the NPS must ensure that local decision-making is retained. For this reason, we do not agree with the proposal to remove or limit local authority decision-making on car parking. We would prefer that the NPS take the approach of being descriptive rather than prescriptive wherever possible. The NPS should promote a community-driven planning process.

The board is concerned about the implications of the proposal to enable more out-of-sequence greenfield development. Such development should only be allowed where there is infrastructure to support it. The discussion documents for the NPS state that the intention is “to allow for growth ‘up’ and ‘out’ in locations that have good access to existing services and infrastructure”. To allow for out-of-sequence greenfield development in areas that do not have such infrastructure would not be aligned with this principle, and could incur significant costs in requiring new infrastructure that has not been budgeted for.

The NPS does not address the question of funding growth infrastructure, which is one of the most significant problems constraining urban growth. We strongly believe that any new Government regulation that creates cost for local authorities should be funded by Government.

We support strengthening requirements for quality urban design. However, we are concerned that the quality urban environment provisions of the proposed NPS are vague. We would prefer to see a clear description that addresses issues such as urban design and the build environment, and for these principles to be reflected in policies as well as objectives.

The board supports the inclusion of policies to improve how local government works with iwi, hapu and whanau to reflect their values and interests in urban planning. However, we feel that there is room to strengthen this in the final version of the NPS.

This feedback is authorised in accordance with Manurewa Local Board resolution MR/2019/173– 19 September 2019.

24 September 2019
On behalf of the Manurewa Local Board
Waitematā Local Board Feedback on the National Policy Statement – Urban Development

The Waitematā Local Board welcomes the emphasis on ‘quality urban environments’ but more clarity is needed on what that means. This definition should include explicit consideration of and reference to:

- urban design
- the built environment
- urban form and function
- access to public transport
- access to parks and open space
- access to community facilities
- placemaking

The main concern at the Local Board level is the removal of Council’s ability to make decisions locally. Although we appreciate the need to develop more intensive housing close to the city, Auckland has just completed a years-long process in the formation of the Unitary Plan to balance this need with the protection and enhancement of our built and natural heritage. We are particularly concerned about the potential to weaken or abolish Unitary Plan overlays protecting special character, historic heritage and volcanic viewshafts.

We strongly support the ‘descriptive’ over the ‘prescriptive’ approach to where and how intensification occurs. For example the ‘prescriptive’ approach example in the discussion document of intensified zoning within a 1.5 km locus of the Auckland city centre would include the heritage suburbs of Parnell, Ponsonby, Grey Lynn and Herne Bay. This blunt instrument, oncesize-fits-all approach would be entirely inappropriate to these areas. An approach in which intensification along transport corridors has been included in the Unitary Plan has been negotiated in a way that balances significant intensification with the preservation of the unique character of these inner suburbs.
Feedback on:

Central Governments proposed National Policy Statement on Urban Development
22 September 2019

For clarifications and questions, please contact:
Local Board Advisor – Maungakiekie-Tāmaki Local Board

Context
2. This will replace the National Policy Statement on Urban Development Capacity 2016 (NPS UDC).
3. The NPS UD broadens the focus of the NPS UDC 2016 beyond urban development capacity, to include other matters that contribute to well-functioning urban environments. It will build on many of the existing requirements to provide greater development capacity but will broaden its focus and add significant new content.
4. The NPS UD is part of a package that will work with other initiatives from central government including a National Policy Statement on Highly Productive Land and Essential Freshwater.
5. At the Maungakiekie-Tāmaki Local Board’s 27 August 2019 business meeting, it delegated authority to Chairperson, Chris Makoare and Deputy Chair, Debbie Burrows to input into Auckland Council’s submission on the Ministry for Primary Industries and the Ministry for the Environment proposed National Policy Statement on Highly Productive Land (resolution: MT/2019/134).
6. Due to the coordinated nature between the National Policy Statement on Highly Productive Land with the National Policy Statement on Urban Development and the Essential Freshwater package, the delegation for the Chair and Deputy Chair to provide local board feedback has been extended to enable the local board to input into the Auckland Council submission.
7. The due date for submissions to Central Government is 10 October 2019. On 19 September 2019 there will be a workshop with the Planning Committee and Local Board Chairs to discuss the three national directions that have been proposed (NPS on Highly Productive Land, Urban Development and Fresh Water). Following this the draft Auckland Council submission will be signed off by delegated councillors (GB/2019/75). To meet these timeframes local board feedback is due by 24 September 2019.

Relevance to the Local board
8. Local boards are responsible for decision-making on local issues, activities and services and providing input into regional strategies, policies and plans. Local boards also have a role in representing the views of their communities on issues of local importance.
9. Every three years local boards set their strategic direction through a local board plan. Central Governments proposed National Policy Statement on Urban Development has relevance to the following outcomes and objectives in the 2017 Maungakiekie-Tāmaki Local Board Plan:

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maungakiekie-Tāmaki is an active and engaged community</td>
<td>Our young people are engaged in the community and have access to a wide range of opportunities.</td>
</tr>
<tr>
<td>Maungakiekie-Tāmaki is a community that cares about its environment</td>
<td>Demonstrate environmental leadership and support community sustainability initiatives. Clean, beautiful waters and waterside areas.</td>
</tr>
</tbody>
</table>
Maungakiekie-Tāmaki Local Board feedback on Central Governments proposed National Policy Statement on Urban Development:

The Maungakiekie-Tāmaki Local Board provides the following input:

a) note that the Maungakiekie-Tāmaki Local Board area has a large number of urban development planned and currently in progress. This is highlighted in the Maungakiekie-Tāmaki Local Board Plan that seeks to achieve a quality urban environment that attracts people from all over Auckland and beyond to live, do business and play

b) endorse the direction and intent of the National Policy Statement on Urban Development to help create development capacity for housing

c) recommend ensuring that making room for growth includes sufficient open space based on population density, to create healthy and quality urban environments for our communities

d) recommend that the national policy statement should be a descriptive approach, providing guidance on development capacity for housing rather than directly prescribing how this should be done. Noting that this will retain local governments ability to undertake local decision making relevant to its local context

e) recommend that central government:

i) ensure local government has capacity to deliver on additional requirements if prescribed

ii) consider new funding options to support the infrastructure required to support housing development in Auckland.

---

Maungakiekie-Tāmaki Local Board

Maungakiekie-Tāmaki Local Board

End.
Feedback on:
The National Policy Statement for Urban Development
24/09/2019

Puketapapa Local Board feedback on the National Policy Statement for Urban Development:

That the Puketapapa Local Board:

a) support the intent of a National Policy Statement for Urban Development to help create development capacity for housing.

b) note that a national policy statement should provide guidance on development capacity for housing rather than directly prescribing how this should be done.

c) note that central government should consider new funding options to support the infrastructure required to support housing development in Auckland.

End.
Papakura Local Board feedback on the National Policy Statement for Urban Development

Background

The Ministry of Housing and Urban Development and the Ministry for the Environment have released a discussion document on a proposed National Policy Statement on Urban Development (NPS UD). This will replace the National Policy Statement on Urban Development Capacity 2016 (NPS UDC).

The NPS UD broadens the focus of the NPS UDC 2016 beyond urban development capacity, to include other matters that contribute to well-functioning urban environments. It will build on many of the existing requirements to provide greater development capacity, but will broaden its focus and add significant new content.

The NPS UD is part of a package that will work with other initiatives from central government including a National Policy Statement on Highly Productive Land (NPS HPL).

NPS UD is proposed to contain objectives and policies in four key areas:

- **Future Development Strategy** – requires councils to carry out long-term planning to accommodate growth and ensure well-functioning cities.

- **Making room for growth in RMA plans** – requires 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.

- **Evidence for good decision-making** – requires councils to develop, monitor and maintain an evidence base about demand, supply and process 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 hapu are taken into account.

The NPS UD is part of a package that will work with other initiatives from central government including a National Policy Statement on Highly Productive Land (NPS HPL). Submissions on this document also close on 10 October 2019. The National Policy Statement on Fresh Water is yet to be released. All three documents will be discussed at a Planning Committee workshop on 19 September 2019.

The local board feedback deadline is 16 September 2019.

Submissions to the NPS UD discussion document close on Thursday, 10 October 2019.

Papakura Local Board feedback

1. The Papakura Local Board agree with planning for the future and setting high level expectations of what local authorities should be seeking to achieve.

2. Auckland Council also has design guidelines for development which should be given more of a statutory status.

3. The Papakura Local Board can understand why the national policy statement might want to require major urban centres to meet more stringent requirements, however, other
mechanisms used like structure plans processes are already in place. The structure planning process should be given statutory status so councils can monitor alignment of private plan changes to the original structure plan.

4. Development must happen in line with local authority planning. To force development where infrastructure cannot keep pace is a concern and potentially adds a greater burden on the local authority.

5. Local authorities struggle to keep within their debt servicing levels to provide infrastructure for growth.

6. Consideration needs to be given to the link with protecting highly productive land, sites of significance to Māori including wāhi tapu, indigenous biodiversity and impacts of climate change in relation to where growth occurs.

7. The Papakura Local Board support the proposed changes to Future Direction Strategies and agree with the proposal to align the documentation to the Long-term Plan cycle.

8. Design guidelines developed by local authorities should be given statutory status to ensure enforcement.

9. The board support, in principle, the proposed approach of the NPS Urban Development providing national level direction about the features of a quality urban environment.

10. Consideration should also be given to:
   - standardising an increased minimum road width – in current developments in Auckland the road widths are far too narrow.
   - Increasing the requirement for green spaces to add to amenity
   - Requiring communal places to grow food in intensive developments as this contribute to building a Community.

11. In the Auckland context the board does not support central government having more directive intervention in Auckland Council’s plans.

12. The board support the inclusion of policies to improve how local government works with iwi, hapu and whanau to reflect their values and interests in urban planning.

Date: 11 SEP 2019
Appendix 3: Map showing residential building consents issued in 2017/2018 within Rapid Transit Networks (RTN’s)
DISCLAIMER:
This map/plan is illustrative only and all information should be independently verified on site before taking any action. Copyright Auckland Council. Land Parcel Boundary information from LINZ (Crown Copyright Reserved). Whilst due care has been taken, Auckland Council gives no warranty as to the accuracy and plan completeness of any information on this map/plan and accepts no liability for any error, omission or use of the information. Height datum: Auckland 1946.

Residential building consents issued 1 Aug 2017 to 31 May 2018

Scale @ A4
= 1:275,000
Date Printed:
19/07/2018