

Proposed National Policy Statement on Urban Development Capacity

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1. We submit that the Proposed NPS set out the resource management status of the document (that is, explain how it fits within the RMA structure) and how it will be monitored so that both of those things are clear to anyone reading it. We suggest that it would be helpful if a layperson did not have to read the RMA to find out the status and importance of this document. Perhaps this could be an Explanatory note.
2. We endorse and agree that some form of national government direction is urgently needed in order to address the key issue facing a number of urban centres, and especially Auckland, which is the *capacity* to grow and develop housing and commercial activities in response to unprecedented demand. We also agree that an NPS can be only *one* tool to do this among others.
3. The NPS aims to address the need for capacity, as distinct from quality, which is entirely appropriate given the conclusions of the Productivity Commission reports of 2012 and 2015. **On that basis, we urge the team preparing the NPS to eliminate all matters that do not directly address the issue of capacity.** We do not want to water down its effect. For example, some of the Objectives could be argued to be superfluous or to repeat matters already provided for in the RMA and in plans. OA2 seems to hit the nail on the head.
4. The most significant issue from an economic and social equity point of view is house prices – and in particular house prices in Auckland. In essence, we don't have enough houses and don't have enough land to build new businesses and therefore both our living and our working has become too expensive and is limiting quality of life and the growth of the economy. Too much of our productive energy is tied up in paying mortgages to banks. Not enough is going to business growth, wage and salary growth (thereby limiting household income and making NZ an unattractive place to work), education and health of our families.
5. The key driver for needing more capacity is that there is more demand. That is, our population is increasing in certain places. That increase is dramatic in Auckland and approaching 50,000 per annum. Therefore, it is essential that we can as accurately as possible predict that population/demand increase. To do this, the data must be as accurate and as clear as possible. The proposed NPS includes Table A2 which shows the predicted population increases in "urban areas", "zones" and "secondary urban areas". The urban areas are shown on maps available on the MFE website at <https://www.mfe.govt.nz/more/towns-and-cities/proposed-national-policy-statement-urban-development/identifying-urban-growth> however the way in which the areas was defined is not obvious. We were not able to find maps showing the zones or secondary urban areas. ?? The maps are useful but understanding the difference between territorial authority areas and these new urban areas is perhaps adding another level of complexity to an already complex task.
6. **It seems to us that if newly defined urban areas are to form the basis of assessments required under the NPS that how these are defined and the numbers calculated needs to be very clear and consistent.** Table A2 data should first be reviewed and

revised for a 2016 start date. Is it then intended that the Table A2 data will be updated by Statistics NZ annually so that all local authorities are using the same data?

7. In our experience working with Auckland Council, it can be difficult to agree on the data to use and rely on. It is important to remove as much uncertainty as possible. We contacted NZ Stats and they agreed that there is no concordance or comparative document available publicly at this stage to show the difference between urban areas and zones and territorial authority areas. However, they did provide one to us – which is attached. Again, we note that it is not immediately clear how the areas relate to one another.
8. The supply needed to meet this increased demand has been very poorly understood in Auckland. We agree that setting out defined matters that local authorities must have regard to in making demand and supply assessments is needed (as is done in PB2 to PB5). We particularly agree that accurate assessment of population growth using reliable predictors (as discussed in paragraph 5 and 6), the commercial feasibility of development including the commercial feasibility of infrastructure development, and a requirement to take the affordability of housing (prices and rents) into account is essential. Regrettably, these factors have not been taken into account by local authorities and those in lower socio-economic groups have paid the highest price. However, now almost all new home owners are prevented from entering the Auckland property market, an intolerable situation.
9. **We are concerned however that the ‘Housing Assessments’ and ‘Business Land Assessments’ required by the NPS will be extremely difficult for local authorities to undertake.** Our councils are struggling already. They have reports, assessments, applications, consents, policies, rules, overlays and more to deal with. The regulatory processes are expensive and exhausting both for Council and for applicants. The requirement runs the risk of being lost in a morass of data. Is it being set up to fail?
10. In addition, the way the NPS assessments are set up, they will require co-ordination between local authorities where urban areas cross territorial boundaries. I do not wish to be cynical but I simply cannot see this level of coordination happening efficiently or all of the relevant councils having adequate resources to do so. Are the matters to be taken into account matters that councils are able to assess? Eg; commercial feasibility and market factors and activity? I note that the government proposes to provide a “package of non-statutory guidance’ to assist councils implement these assessments. However, would it not be more efficient and accurate to have that managed by one central and expert agency with that as its core function? It will be difficult enough for one council to make all of the assessments set out under the NPS. How will multiple councils be able to do this and then coordinate all of their results, assessments and actions?
11. **We suggest that a central Urban Development Authority (UDA) should be established to set the parameters for and source data, and to undertake the ‘Housing Assessments’ and ‘Business Land Assessments’ required under PB1 of the RPS.** The Preamble to the Proposed NPS emphasises the need for integration and coordination

between local authorities, infrastructure providers, central government and other key stakeholders. It seems to us that the most efficient and reliable way to achieve this is to establish a **central coordination agency** (perhaps a division of MfE?). This would enable a centrally managed source and methodology for collecting data (population growth, house prices and rents, consents etc) and also to determine how matters such as the commercial feasibility of development are to be measured. The local authorities could provide some of the information required (for example, assessments of the effect of zoning, rules, overlays on development opportunities within its area) and infrastructure providers as well (actual and likely availability of infrastructure, and financial constraints on providing this). Similarly, a UDA could set the parameters (for example, draft the questions or surveys to be undertaken) for consultation with iwi, community and social housing providers, property developers and other stakeholders but councils could implement the actual consultation through already established channels and processes.

People who work with data and statistics know that the quality of the reports and decisions made using these is determined by the quality and reliability of the data inputs. “Rubbish in, rubbish out”, it is often called. If the data is left to individual, under-resourced, and not necessarily expert local authorities to determine then our fear is that:-

- a) The reports will be unreliable and therefore not produce good decisions, and
- b) Each local authority will approach the data differently and so reports/assessments will not be able to be compared or used collaboratively.

12. If a central UDA produced the Assessment documents required then each local authority could be required to determine how these were to be implemented in order to achieve the NPS Outcomes for their particular area. The UDA may have the power to make recommendations (publicly available) and the councils then decide whether to adopt these or not (in a way similar to the Auckland Unitary Plan process and the recommendations of the Independent Hearings Panel). The public availability of these would ensure that councils and councillors were accountable to their constituents.
13. A central UDA could also then manage applications by local authorities for funding from any central infrastructure fund (such as that announced recently) to implement infrastructure or other actions decided upon.
14. **Similarly, a UDA could report on the overall efficacy and impact of the NPS and whether its outcomes were being achieved.** In its current form, it is not clear how this monitoring and reporting would take place?

It seems to us that this issue of monitoring is essential to the success of any NPS. Without a clear and robust method and independent responsibility for this, we fear that any NPS would become only another set of required reporting.

At the end of the day, who is going to assess whether local authorities are complying with any NPS, applying it correctly, and reporting on whether its outcomes are being achieved?