



Ministry of Education submission on the proposed:

National Policy Statement Urban Development Capacity

12 July 2016

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Introduction

The Ministry of Education manages the state school network property portfolio. This comprises around 2,400 schools on over 8,000 hectares of land. The school replacement value exceeds \$23.5 billion.

This is a significant state sector property portfolio and it has a high profile within government, the education sector and the business community. In addition the school often provides a community focal point for its neighbourhood.

The Ministry employs a whole-of-life asset management approach to the schooling network. The annual capital expenditure varies; but for 2016 is in the order of \$800 million.

The Ministry has been working on a number of policies and planning initiatives to help lift its planning horizon and ability to provide for schooling in an urban context. The Ministry already finds it challenging to identify suitable land for schooling in the right location in a number of New Zealand cities.

The Ministry supports the initiative of making a National Policy Statement on Urban Development; but we consider that the current draft omits some important matters.

The Ministry previously submitted that because the pre-public version of the draft NPS circulated to officials had a scope limited to housing and business capacity the NPS should be named to reflect that narrower scope. This was done. Unfortunately the resulting NPS-UDC delivers most policies with a narrow focus yet has supporting sections and some objectives and policies (PA1 and PA2) that suggest a broader concept of urban development. Therefore a reader might not 'read-down' the broad content to the narrow focus of the NPS-UDC.

Despite the 'limited' definition of infrastructure, it is easy to believe this NPS contains Government's policies for all infrastructural development in an urban context. This would be expected to include concern for the quality of the future urban form as supported by social and community infrastructure.

Enabling housing supply capacity under the NPS-UDC will potentially cause significant flow-on capacity issues for schooling and other social infrastructure providers. This must be expressly recognised and encompassed in the NPS for urban development.

This submission has been prepared by the Ministry's subject matter experts in network demographics, network management, resource management and planning.

Enabling growth and development while managing the effects

This covers Objective Group A and policy PA3.

Ministry of Education recommendation

The Ministry supports a NPS on urban development that contains Objective Group A and Policy PA3.

These objectives and policies should be supported by:

- a definition of infrastructure that is broadened to include social and community infrastructure.
- a review of all policies and supporting text to ensure that the words embrace quality of urban development as well as supply capacity.

The Ministry recommends that the NPS clearly recognize the collective effects of residential and business growth on physical, social and community infrastructure.

The Ministry of Education considers that Objective Group A and Policy PA3 demand a broader consideration of urban growth than one limited to residential and business land. Also a broader approach is required than one limited to capacity.

The objective and PA3 specifically mentions people and community social and cultural wellbeing. This notion of wellbeing would include social activities and necessarily be supported by services/facilities such as schooling, other educational facilities, health care, aged-care, recreational and sporting facilities, and the need for open spaces to produce a sustainable urban form.

Also noteworthy is the inclusion of the wellbeing of future generations. This provides for a long-term inter-generational consideration of urban development. This horizon should be reflected in the detailed mechanical provisions of the NPS-UDC; but these tend to support more short-term provision of housing and businesses, potentially at the expense of long-term sustainable and desirable urban growth.

The quality of New Zealand's future urban development could be seriously compromised resulting in low value, undesirable residential and business precincts that may be isolated from social and community services.

A NPS for urban development that incorporates consideration of quality development as well as capacity is better aligned to the Government's expectations about the stewardship of physical assets and human capital. Stewardship implies quality planning for the medium to the long-term in a manner that is anchored in the concept of improving persons' contribution and participation in the community.

PA3 also specifically mentions the need to minimise the adverse effects of development. The clear recognition of the need to provide for quality urban development, that includes social infrastructure, is essential if adverse effects of residential and business capacity are to be managed or minimised.

The ***Proposed National Policy Statement on Urban Development Capacity 2016 – Preamble*** speaks of attractive built and natural environments which have good quality physical and social infrastructure and open space. The preamble also says: "Planning should provide for good

accessibility between housing and businesses, and the social infrastructure necessary in a successful city.”

The *NPS-UDC Explanatory Note* acknowledges that without good planning cities can become victims of their own success burdened by ‘poor quality environments’ amongst other things. It also mentions that local government will provide necessary infrastructure including parks and public spaces.

The *NPS-UDC Objectives* do not explicitly recognise the collective environmental impacts of capacity driven development. While it might be argued that intensive housing areas in pockets throughout a city like Auckland may not unduly challenge physical or social infrastructure, the risk is that the collective effect of the many intensive housing developments and the few very large developments together, overtime, will have a significant impact.

Understanding and enabling the market

This covers PB3, second bullet: The actual and likely availability of infrastructure.

Ministry of Education recommendation

The Ministry recommends that the reference to 'infrastructure' in PB3 must be applied in the broader sense of physical, social and community infrastructure.

The Ministry of Education considers that this particular statement within PB3 is of only limited value if read-down to the proposed definition of infrastructure. It is imperative that assessments of urban development consider the broader provision of infrastructure as provided for/limited by territorial authority plans and regional policy statements.

This particular reference to infrastructure needs to include power, management of solid wastes, schooling, health care, aged care, recreational facilities, parks and reserves.

Implications for infrastructure

This covers policies PC1-PC3 that relate to co-ordinated evidence and decision-making.

Ministry of Education recommendation

The Ministry recommends that the reference to 'infrastructure' in PC1, PC2, PC3 must be applied in the broader sense of infrastructure providers to include social infrastructure such as education and health care.

The Ministry recommends that consideration be given to widening the data and projections workings to include central government agencies that are the authorities on population growth statistics and demographics, housing and business.

The Ministry of Education considers that the particular reference in PC1 to central government infrastructure providers must include all government agencies that have land ownership on behalf of the Crown. This must include requiring authorities/their agencies. Therefore the proposed limited definition of infrastructure is inappropriate in this context.

In support of this, the Productivity Commission report ***Using land for housing – Summary version, September 2015*** makes specific mention in *Box 2 Infrastructure needed to support growth* of the fact that residential growth requires social and community infrastructure e.g. public recreation and libraries. The Ministry supports this broader inclusive recognition of social infrastructure.

In regard to PC2 and PC3 'infrastructure providers' must apply beyond the proposed limited definition of infrastructure. It is imperative that local authorities work with all those infrastructure providers that own land and have infrastructural networks (linear or spatial).

Many central government agencies, including some who are not infrastructure providers, have valuable information that should be referenced in the development of PB1 in PC2. This includes information about growth forecasting and demographic projections for school age children, migration policy and housing policy.

Estimating housing demand and development capacity are critical drivers for the long term planning of the school network. In a high or medium growth centre where land is scarce central agencies must be party to regional strategic and district planning discussions.

Roles and relationships between councils

Ministry of Education recommendation

The Ministry would support a NPS on urban development that requires territorial authorities to collaboratively plan physical and social infrastructure (such as schools, community centers and health facilities) as an integral component of urban development.

Collaborative and integrated planning for urban development should occur not only between territorial authorities but also include agencies that provide network and social infrastructure, including requiring authorities.

The Ministry of Education is concerned that the NPS-UDC only focuses on the collaboration between councils and not the broader collaboration needed with central government and other planners/infrastructure providers. This is an omission.

The Productivity Commission report *Using land for housing – Summary version, September 2015* makes specific acknowledgement that broader collaboration is needed. For example *Figure 1 Providing land for housing* states that underlying causes of slow prescriptive planning include lack of integrated planning and little recognition of national interest.

The Ministry places importance on its collaboration opportunities with territorial authorities and other infrastructure providers. Collaborative planning directed by the NPS-UDC and led by the TAs is essential to the provision of physical, social and community infrastructure.

The *NPS-UDC Preamble* states that better integration and coordination between land use and infrastructure planning will require local authorities, infrastructure providers and central government to work co-operatively; and *NPS-UDC Explanatory Note* acknowledges that land use planning and infrastructure planning are not well integrated. It appears that the problem is known and yet the NPS-UDC fails to adequately address the solution.

Finally, the Ministry observes that to affect urban development at the national scale (refer PA3, bullet 3), requires inclusion of those agencies that are the decision-makers for the provision of infrastructure at the national level.

This requires the explicit inclusion of those government agencies and network infrastructure providers that are requiring authorities under the Resource Management Act. The notion that national effects of urban development could be, or should be, adequately managed at the local level needs to be removed from this NPS.



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