



Planning for successful cities

A discussion document on a proposed National Policy Statement on Urban Development



MINISTRY OF HOUSING
AND URBAN DEVELOPMENT



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Environment
Manatū Mō Te Taiao

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Making Aotearoa New Zealand
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Message from Ministers

This Government has made housing and urban development a priority. Everyone in New Zealand deserves healthy, secure and affordable homes that provide access to jobs, education, amenities and services. When performing well our cities can contribute to the well-being of residents, and raise living standards for all.

Our cities need to be able to adapt and respond to the diverse and changing needs of all people, whānau, communities and future generations, and function within environmental limits.

However, a startling array of indicators in housing and urban development tells us we have a problem: severe housing unaffordability, falling home ownership, increased hardship and homelessness, increased household debt, intergenerational inequality, congestion, poor transport choice and urban pollution.

It is clear our urban land and housing markets need to work better and be more competitive. We need to significantly increase the number and type of development opportunities in the market, and ensure future growth benefits our towns and cities.

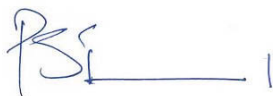
The Government's Urban Growth Agenda (UGA) is designed to deliver these changes. It takes a new approach to planning, based on the idea of making room for growth. The aim is to reduce car dependency, fix our broken system for funding and financing infrastructure, and see central government work more closely with local government, the private sector and communities.

As part of the Urban Growth Agenda, the National Policy Statement on Urban Development (NPS-UD) gives national direction under the Resource Management Act (RMA) to help local authorities make good decisions about making room for growth, both up and out, in suitable areas.

The NPS-UD will ensure we develop well-functioning, inclusive and better connected cities that reflect the diversity of their current and future communities. The NPS-UD will provide certainty for developers and community members to understand the future growth in our cities, and the resulting changes to communities and neighbourhoods over time.

Our Government is confident this new NPS will play an important role in helping to make this a reality.

We invite you to have your say on this important national policy statement today.



Hon Phil Twyford
Minister for Urban Development



Hon David Parker
Minister for the Environment

Executive summary

The Government is consulting on a proposal to create a new National Policy Statement on Urban Development (NPS-UD). This discussion document sets out the policy proposals, sample text for how they might be reflected in a national policy statement, and the rationale behind them.

Context

The success of our cities affects New Zealand's overall economic, social, cultural and environmental performance. As New Zealand moves to a more sustainable, productive and inclusive economy, cities will play an increasingly important role by hosting a large share of the nation's labour market activity, business growth and connections with other countries.

Our cities need to offer affordability, access and quality, while functioning within environmental limits. To do so, they need to be able to adapt and respond to the diverse and changing needs of all people, whānau, communities and future generations.

Our cities are under pressure and are not offering the benefits we want, because:

- urban land markets do not enable housing development to keep up with growth and ensure land is affordable
- transport systems are poorly integrated with land use, and lack high-quality options to improve access to jobs, and reduce car dependency.

The Government is looking at ways to make our urban markets perform better by making room for growth, making sure growth pays for itself, investing in transport to drive more efficient and liveable urban forms, and ensuring healthy and active travel is more attractive.

We need to remove unnecessary restrictions on development, to allow growth 'up' (eg, higher-density housing near existing services and infrastructure) and 'out' (eg, well-connected houses in greenfield areas with good infrastructure). This will require a change to the practice and culture of how land use is regulated.

Allowing for growth must not be at the expense of well-functioning, vibrant urban and natural environments. The Government wants to maximise the benefits of good urban growth, while minimising the costs and the drawbacks. The Government is seeking to deliver high-quality, liveable urban environments that foster the well-being of people and the natural environment.

While a combination of factors over decades and multiple local and central government cycles have come together to put pressure on cities, the planning system has also contributed to this. It has struggled to respond to growth pressures and timely provision of infrastructure. It has relied on overly constraining rules, zoning and overlays to manage environmental effects. We need an urban development system that does not just react to and manage growth, but actively facilitates the kind of urban growth that maximises prosperity and well-being.

Overview of the proposed NPS-UD

The NPS-UD focuses on the role of the planning system in enabling growth and regulating land use in urban areas. It aims to enable growth by requiring councils to provide development capacity to meet the diverse demands of communities, address unnecessary regulatory

constraints, and encourage quality urban environments. It will ensure growth is strategically planned and leads to well-functioning cities that contribute positively to people's well-being.

The NPS-UD will replace the National Policy Statement on Urban Development Capacity 2016 (NPS-UDC 2016). Although the NPS-UDC has been an important first step towards better urban planning, we consider that it is not sufficient to achieve the outcomes we are seeking. The new NPS-UD will build on many of the existing requirements for greater development capacity, but will broaden its focus and add significant new content.

The NPS-UD contains 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 prices for housing and land, to inform their planning decisions.
- **Processes for engaging on planning** – ensures council planning is aligned and coordinated across urban areas, and issues of concern to iwi and hapū are taken into account.

The proposed NPS-UD will help achieve the sustainable management purpose of the Resource Management Act (RMA 1991) by ensuring that urban planning enables people and communities to provide for their social, economic, and cultural well-being through development that supports quality urban environments.

A NPS is the most effective means to support the system-wide, long-term changes that we need because it impacts on all RMA decision-makers and has the largest influence on local authority plans and decision-making frameworks.

[Table 1](#) (over the page) sets out all the proposals in the NPS-UD.

Consultation

Consultation on the proposed NPS-UD ends on 10 October. Recommendations based on submissions will be reviewed by an independent technical advisory panel. Officials will seek agreement from Ministers to make the recommended changes, then approve the proposed NPS. If Ministerial and Cabinet approval is given, the proposed NPS is likely to take effect during the first half of 2020.

Table 1: Overview of proposals

KEY

muc	Applies to major urban centres	options	Consulting on multiple options
all	Applies to all urban environments	changed	Significant change from the NPS-UDC 2016
existing	Existing policy in the NPS-UDC	proposal	High-level proposal only, no draft objectives or policies
new	New policy		

FUTURE DEVELOPMENT STRATEGY	Section	Where	Status
Sets an objective for long-term planning to integrate land use and infrastructure, and enable quality urban environments	O1	all	changed
Requires councils to prepare a Future Development Strategy (FDS) that are informed by Housing and Business Development Capacity Assessments (HPAs)	P1A	muc	existing
Gives new direction on what FDSs need to include and how to develop them	P1A–P1G	muc	changed
Requires councils to have an implementation plan for their FDS, and to consider their FDS in plan changes	P1D, P1G	muc	changed
Requires councils to update their FDS every 3 years, in time to inform other plans	P1H, P1I	muc	changed
MAKING ROOM FOR GROWTH			
<i>Building quality urban environments</i>			
Enables communities and future generations to provide for their well-being	O2	all	existing
Describes quality urban environment features that decisions must contribute to	O2–3	all	new
Ensures quality urban environments are considered in planning decisions	P2A–P2B	all	changed
<i>Clarifying amenity in urban environments</i>			
Ensures urban environments provide for diverse and changing amenity values	O4, P3A	all	new
<i>Enabling opportunities for development</i>			
Requires councils to provide enough development capacity that is feasible, and likely to be taken up, to meet demand	O5, P4A–P4C, P4G	all	changed
Requires bottom lines for development capacity to be set	P4D–P4F	muc	changed
<i>Ensuring plans allow for expected levels of development</i>			
Requires councils to describe the expected types of development by zone, and that zone content enables this to happen	O6, P5A–P5B	muc	new
Requires councils to respond if their plans are not enabling the expected development	O6, P5C	muc	changed
Gives direction on what to consider in Section 32 reports	O6, P5D	muc	new

Providing for intensification

Enables higher-density development in areas close to employment, amenity, infrastructure and demand	O7, P6A	all	new
Direct insertion of policies to enable intensification for regional policy statements, and district plans for consenting decisions	P6B, P6D	muc	new
Directs district plans to enable high-density development in certain areas	options P6C	muc	new

Providing for further greenfield development

Allows consideration of urban development where land has not yet been released or not identified for urban development	proposal	all	new
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Removing minimum car parking requirements

Limits the ability to regulate the number of car parks required for a development	options P7A	muc	new
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More direct intervention to promote quality urban development

Require, preclude the use of, or replace particular rules in district plans	proposal	all	new
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EVIDENCE FOR GOOD DECISION MAKING

Requires councils to monitor a range of indicators about their housing and business markets	O8, P8B	all	existing
Requires councils to analyse price efficiency indicators	P8C	muc	changed
Requires councils to use evidence about the market in planning decisions and assess demand for housing and business space, and supply of development capacity to meet demand	P8A, P8D	all	new
Requires councils to prepare Housing and Business Development Capacity Assessments to inform the next FDS	See appendix 3	muc	changed

ENGAGING IN URBAN PLANNING

Taking into account issues of concern to iwi and hapū

Provides opportunities for iwi and hapū to identify aspirations and issues of concern, and ensures these are considered	O9, P9A–P9B	all	new
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Coordinated planning

Encourages councils that share an urban environment to work together in implementing the NPS-UD, and in engaging with iwi and infrastructure providers	O10, P10A–P10B	all	changed
Encourages councils to work together on Housing and Business Development Capacity Assessments, setting bottom lines and FDSs	O10, P10C	muc	existing

1 Introduction

What this document covers

This consultation seeks feedback on the proposals that make up the National Policy Statement on Urban Development (NPS-UD). This discussion document includes a mixture of proposed content for the NPS-UD:

- draft objectives and policies
- sample wording that could inform the development of policies for the NPS-UD or other, future national direction.

The consultation is seeking feedback on:

- the broad direction of the proposed NPS, to ensure it focuses on intervention that improves planning for more vibrant, liveable cities
- the specific wording of proposed draft content of the NPS-UD objectives and policies, to understand their workability and any drawbacks not identified
- the merits of proposals and feedback about how they could be developed into workable content in the NPS-UD
- the relative merits of different options.

Finding your way around this document

This discussion document is set out as follows:

- Section 2 gives some context about what the Government wants to achieve for New Zealand's cities, and the role of urban planning.
- Section 3 is an overview of the Government's wider programme of work on urban development and national direction under the RMA (1991), to show where the proposals fit in the big picture.
- Sections 4 to 8 set out more detail on the proposed NPS for Urban Development, and the rationale.
- Section 9 looks at what else is needed to support the Government's aims for urban planning.
- Section 10 has information about the relationship between the NPS-UD and other national direction under the RMA.

Throughout the document there are questions to guide your response to the proposals. The full list of questions is in section 11, along with details about how to make a submission.

2 Context

This section outlines the context for the changes the Government is trying to achieve for our cities, and how the proposed NPS-UD fits in.

Successful cities are important for New Zealand

Aotearoa is becoming increasingly urbanised, with around 99 per cent of all population growth occurring in urban areas. People are drawn to cities because they offer more job choices, social and cultural interaction, and higher quality, more diverse amenities and services. The success of our cities affects New Zealand's overall economic, social, cultural and environmental performance. As New Zealand transitions to a more sustainable, productive and inclusive economy, cities will play an increasingly important role by hosting a large share of the nation's labour market activity, business growth and connections with other countries.

When cities work well they provide a range of benefits for their residents, the economy and the environment. Successful cities:

- maximise opportunities for people to interact, socially and economically
- support a more diverse and productive economy by bringing together people with varied and complementary knowledge and skills
- contribute to the well-being of residents and raise living standards for all.

We want our cities to provide affordability, access and quality, while functioning within environmental limits. To do so, cities need to respond to the diverse and changing needs of all people, whānau, communities and future generations.

Key factors in how our cities generate prosperity are: how well they facilitate face-to-face exchanges, and how easily people can move between the places they live, work and play. This requires our cities to provide:

- enough housing and business space, including housing choices that let people live affordably close to the places they need to travel
- a transport system that allows for the effective and efficient movement of people and goods, and promotes safe, healthy and active lifestyles.

Well-functioning cities, with effective design and a strong sense of place, should improve physical and mental health, well-being and social functioning. They also recognise historical and cultural heritage, both in a broad sense and specifically by reflecting their history and the connections to place for tangata whenua. Many approaches that make our cities more liveable (for example, more public transport, more walking and cycling opportunities, more green spaces, housing closer to services and amenities) can also help reduce our carbon footprint, increase resilience to the effects of climate change and protect ecosystems.

Our cities are underperforming in many areas

Our cities are under pressure and are not delivering the benefits we want. We are seeing the symptoms of this in some major cities with rising urban land prices, unaffordable housing, increasing homelessness, worsening traffic congestion, lack of transport choice and flattening productivity.

An underlying problem is that urban land markets are not enabling housing development to keep up with growth, or to ensure land is priced affordably. The individual and cumulative impact of land use and environmental management regulations, and limited infrastructure funding and financing, are holding cities back from growing. This prevents efficient land use, and more affordable housing, such as flats, terraces, townhouses and apartments.

City transport systems are not connecting us efficiently to jobs and labour markets. Faced with limited choices, people are locked into using private cars on increasingly congested roads. High congestion decreases people's mobility and access, and in turn lowers the productivity of cities. Car dependency and limited transport choice also mean that towns and cities are not adequately supporting healthy, inclusive and safe travel.

Cities are putting pressure on our natural resources (eg, fresh water, biodiversity and highly productive land) and our built environments could often do better at meeting people's need for physical activity, air quality, mental health, disability access and social cohesion.

Key shifts in how cities respond to growth

The Government is looking at how urban markets can perform better, by making room for growth and making sure growth pays for itself, and investing in transport to drive more efficient and liveable urban form.

We need to remove unnecessary restrictions on development to allow growth up (eg, higher-density housing near existing services and infrastructure) and out (eg, well-connected houses in greenfield areas with good infrastructure).

This means moving towards using a wider mix of measures to manage urban growth including economic instruments, investment in lead/enabling infrastructure, and better understanding of the true costs and benefits of development. We need to improve the tools to plan, fund and finance infrastructure to increase supply and provide certainty for investment.

In practice this would involve:

- setting aside areas of special value, such as productive soils, native bush, coastal strips and open spaces for future generations
- improving long-term planning and delivery of infrastructure, including acquiring land for new transport links, schools and hospitals, and allowing people to build provided they can carry the true costs of growth, including infrastructure and transport.

Allowing for growth must not be at the expense of well-functioning, vibrant urban and natural environments. The Government wants to maximise the benefits of good urban growth, while minimising costs and drawbacks. We can create high-quality, liveable cities that contribute to the well-being of people and the natural environment.

The Urban Growth Agenda

The Urban Growth Agenda (UGA) is a package of government work to facilitate the shifts described above. The UGA aims to:

- improve housing affordability
- improve housing choice

- improve access to the things people need including work and education
- reduce emissions
- foster quality built environments.

How the NPS-UD fits in

Improving urban performance through planning

Urban planning plays an important role in the system: it allocates private and public spaces, manages the effects of development on the environment, and plans and funds infrastructure.

Local authorities (regional councils, unitary authorities, and city and district councils) play a role in shaping cities by providing infrastructure, regulating land use and managing the effects of our activities on natural and physical resources.

Planning has struggled with responding to growth pressures and timely provision of infrastructure, and has relied on overly restrictive regulation to manage environmental effects. We need a system that actively promotes urban growth that maximises prosperity and well-being, rather than just reacting to and managing growth.

The planning system has also struggled to ensure the voices of the community can influence planning. The concerns of tangata whenua are often not taken into account. Current processes for public participation tend to favour wealthier property owners over others (in particular younger, non-English speakers, ethnic minorities, the less educated and renters).

The proposed NPS-UD is one component bringing the UGA to life

The proposed NPS-UD focuses on the role of the planning system in enabling growth and regulating land use in urban areas. The NPS-UD intends to enable growth by requiring councils to provide development capacity to meet the diverse demands of communities, address overly restrictive rules, and encourage quality, liveable urban environments. It will ensure growth is strategically planned and leads to vibrant cities that contribute to people's well-being.

The aim is to encourage more effective growth, particularly close to frequent public transport, and walking and cycling facilities. It also intends to help local authorities make decisions that work for their entire communities, offering choices for diverse groups and listening to a wider range of voices in the urban planning system.

The NPS-UD will be supported through the wider UGA work by:

- new tools for infrastructure funding and financing
- investment in modern transport systems
- a stronger partnership between central/local government and iwi, hapū and communities.

3 Overview of the National Policy Statement on Urban Development

The proposed National Policy Statement on Urban Development (NPS-UD) aims to help local authorities plan for how their cities develop. It is intended to:

- give clear direction about planning for growth and how to do this well
- support local government to apply more responsive, effective planning and consenting
- clarify for others (including developers and community members) the intended outcomes for urban development across New Zealand and within communities and neighbourhoods.

It does this by directing how local authorities make decisions under the Resource Management Act (RMA) – including the development of regional policy statements, regional plans and district plans, and in making decisions on resource consents. It will include:

- **objectives** which set a high-level expectation of what local authorities should be seeking to achieve
- **policies** which give more explicit direction about what local authorities need to do to achieve the objectives.

The NPS-UD is made up of four areas, summarised in [Figure 1](#) (opposite). Sections 4 to 8 explain the detailed proposals for each area. [The Regulatory Impact Statement](#) gives more information about the analysis behind the NPS-UD, in particular the anticipated impacts of the proposals.

These proposals will continue to evolve, taking into consideration the feedback from this consultation process.

Why a national policy statement is appropriate

The RMA is largely put into practice by local government, but it also allows central government to give direction on national, regional or local issues.

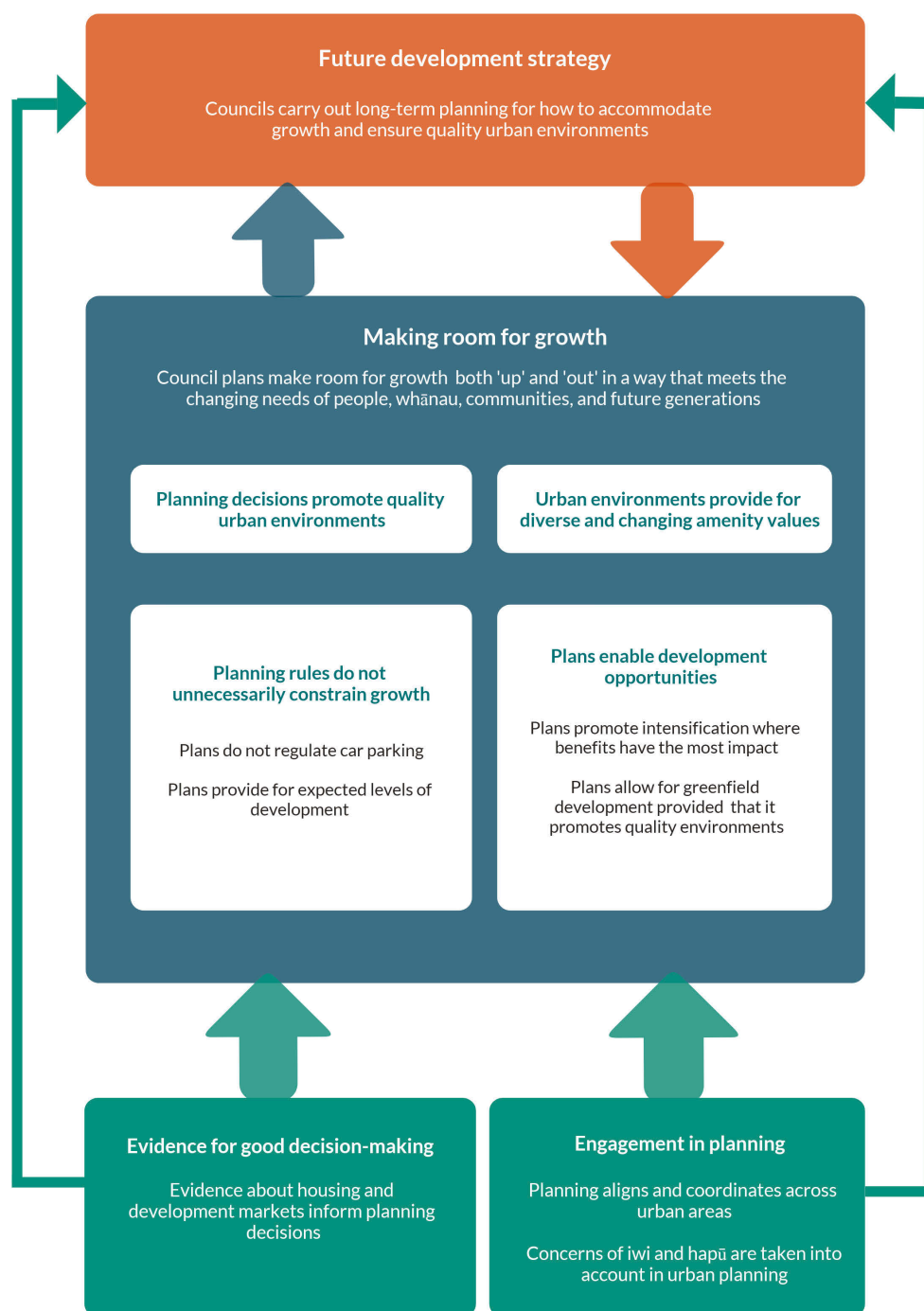
Under the RMA, the Minister for the Environment can prepare national policy statements (NPS) that outline objectives and policies for matters of national significance that are relevant to achieving the purpose of the RMA. The Government considers that urban development is such a matter, because:

- urban planning decisions have significant impacts (some with national implications) on the well-being of people and the environment
- the costs and benefits of planning decisions are compounded in bigger cities.

An NPS has two main effects:

- local authorities must amend their regional policy statements, and regional and district plans, to give effect to the NPS
- decision-makers on plans, policy statements, resource consents and other matters must consider the NPS as part of their process.

Figure 1: Summary of the NPS-UD¹



Councils must amend their planning documents as soon as practicable, unless the NPS specifies timeframes. The standard RMA process involves notifying the public of the amendment, receiving submissions and holding hearings. This is not an opportunity for local authorities to change the NPS – rather, it makes them focus on how their regional statements, regional plans or district plans will give effect to the NPS. Local authorities must directly incorporate NPS objectives and policies into their policy statements and plans without using the standard RMA processes, if the NPS directs it.

¹ Note figure 1 does not differentiate between policies applying to ‘major urban centres’ or ‘all urban environments’.

Decisions about resource consents must have regard to relevant national policy statements. This means the NPS would likely start to influence decision-making in consent decisions before local authorities have given effect to an NPS through their plans, unless the NPS itself required immediate amendments to documents.

The Minister for the Environment can prepare other forms of national direction. These include national environmental standards, regulations under section 360 of the RMA, and content for national planning standards.

Local authorities have more flexibility in applying an NPS to take account of their local environment and circumstances than under other national direction (eg, a national environmental standard or planning standards). This would help to address any risk of unintended negative consequences from inflexible rules applied consistently nationwide, and would support local authorities to work with their communities on sometimes difficult decisions about the future of their cities.

Questions

- 1 Do you support a National Policy Statement on Urban Development that aims to deliver quality urban environments and make room for growth? Why/Why not?
 - Are there other tools under the RMA, other legislation or non-statutory tools that would be more effective in achieving a quality urban environment and making room for growth?

Replacing the National Policy Statement on Urban Development Capacity 2016

The NPS-UD will replace the National Policy Statement on Urban Development Capacity 2016 (NPS-UDC 2016). 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.

The NPS-UDC 2016 directs local authorities to provide sufficient development capacity in their resource management plans, supported by infrastructure, to meet demand for housing and business space. Although the NPS-UDC 2016 has been an important first step towards improving urban planning, we consider that it is not sufficient to achieve the outcomes we are seeking. The new NPS-UD will build on many of the existing requirements to provide greater development capacity, but will broaden its focus and add significant new content.

[Appendix 1](#) lists which NPS-UDC policies would be retained in the NPS-UD, which would be amended, and which would be removed entirely. In the following sections, the tables setting out draft objectives and policies also specify whether the objective/policy is new, or an existing or amended provision from the NPS-UDC 2016.

Some definitions remain from the NPS-UDC 2016 and some are new. Where they have been changed they are specified in the relevant sections in this discussion document. See [appendix 2](#) for a full list of definitions.

Targeting cities that would benefit most

Summary of the proposal

The NPS-UD continues the approach used under the NPS-UDC 2016 of applying some policies nationally and targeting others where they are most useful. Some proposals in this NPS-UD would apply to local authorities in all urban environments, while the policies requiring the most work by local authorities would only apply to larger urban centres with growing populations and where pressure on housing is creating national impacts.

The NPS would do this by defining two categories of urban environment:

- local authorities in **all urban environments** will need to meet the basic requirements
- local authorities in **major urban centres** (listed in [table 2](#)) will also need to meet more stringent requirements.

The NPS-UD would use the existing definition of an 'urban environment' from the NPS-UDC 2016 (see [appendix 2](#)).

For each proposed policy in this discussion document, it is stated whether it would apply to major urban centres or to all urban environments.

Table 2: Local authorities with jurisdiction over major urban centres

Major urban centre	Local authority
Auckland	Auckland Council
Hamilton	Waikato Regional Council, Hamilton City Council, Waikato District Council, Waipā District Council
Tauranga	Bay of Plenty Regional Council, Tauranga City Council, Western Bay of Plenty District Council
Wellington	Wellington Regional Council, Wellington City Council, Porirua City Council, Hutt City Council, Upper Hutt City Council, Kapiti Coast District Council
Christchurch	Environment Canterbury, Christchurch City Council, Selwyn District Council, Waimakariri District Council
Queenstown	Otago Regional Council, Queenstown Lakes District Council

Rationale

The NPS-UD shifts the focus to larger cities and urban centres where the national impact of housing challenges is greatest. This is to ensure it focuses on the urban environments that would benefit most from meeting the more detailed requirements, while keeping down costs for small local authorities with more limited resources.

The more challenging requirements focus on these major urban centres because:

- they account for over 60 per cent of New Zealand's population
- they are generally growing quickly, with national impacts resulting from housing pressures
- they have a bigger market for different housing types, including intensified housing.

Key changes from the NPS-UDC 2016 approach is that some of the greater Wellington councils would now be included among the councils required to prepare a Future Development Strategy

(FDS), set minimum bottom lines for residential development capacity in their plans, and enable intensification. On the other hand, smaller local authorities considered high or medium growth under the NPS-UDC 2016, but not identified as major urban centres under the NPS-UD, would no longer have to prepare full Housing and Business Development Capacity Assessments (HPAs) every three years. These local authorities are listed in [table 3](#).

Table 3: Local authorities that are high- or medium-growth urban areas under the NPS-UDC 2016, but are not proposed be major urban centres under the NPS-UD

Urban area	Local authority
Whāngārei	Northland Regional Council, Whāngārei District Council
Rotorua	Rotorua District Council
Gisborne	Gisborne District Council
Napier-Hastings	Hawkes Bay Regional Council, Napier City Council, Hastings District Council
New Plymouth	Taranaki Regional Council, New Plymouth District Council
Palmerston North	Horizons Regional Council, Palmerston North District Council
Nelson-Tasman	Nelson City Council, Tasman District Council
Marlborough	Marlborough District Council
Dunedin	Dunedin City Council

Questions

- 2 Do you support the approach of targeting the most directive policies to our largest and fastest growing urban environments? Why/why not?
 - Do you support the approach used to determine which local authorities are categorised as major urban centres? Why/why not?
 - Can you suggest any alternative approaches for targeting the policies in the NPS-UD?

4 Future Development Strategy

This part of the NPS-UD forms the basis for integrated, strategic, long-term planning. This planning intends to set the high-level vision for urban growth, and will inform decisions about how to allow for urban growth in plans.

Summary of the proposal

The Government proposes to amend the existing NPS-UDC 2016 requirement for local authorities to produce a strategy that shows how and where they will provide for future development. This is referred to as a Future Development Strategy (FDS).

The changes strengthen and clarify the FDS requirements to more effectively guide long-term planning. The amendments ensure FDSs:

- show how they will enable a quality urban environment (as described in Objective 2)
- are informed by issues of concern to iwi and hapū and take into account relevant planning documents recognised by iwi authorities
- identify locations for intensification based on demand for housing, and proximity to services, amenities, infrastructure and employment
- consider how development and other infrastructure will support development capacity in existing and future urban areas, including identifying indicative locations for future infrastructure corridors and sites
- encourage engagement with other local authorities and central government during their development
- are informed by, and encouraged to inform relevant long-term plans and infrastructure strategies required under the Local Government Act 2002, and regional land transport plans under the Land Transport Management Act 2003
- are supported by an implementation plan.

Only major urban centres would be required to produce an FDS (the requirement currently applies to “high-growth urban areas” in the NPS-UDC 2016). Local authorities in other urban environments would be encouraged to include an FDS in their planning framework.

Rationale

The existing NPS-UDC 2016 requires local authorities in high-growth urban areas to develop FDSs that describe how they will provide sufficient development capacity in the medium and long term across an agreed area, and how they can meet the minimum development capacity housing targets.

The proposed new provisions are designed to:

- push the current system towards better spatial planning
- identify locations for future intensification and supporting strategies
- identify where urban development should be avoided (eg, sites of significance to Māori including wāhi tapu, highly productive land and areas of significant indigenous biodiversity)

- strengthen the role of the FDS to inform RMA plans and strategies prepared under other legislation
- better align land use and infrastructure planning, and identify funding gaps between capacity and infrastructure
- improve ongoing implementation and future updates ensure FDSs contribute to urban development that: takes into account issues of concern to iwi and hapū (including those expressed in relevant planning documents recognised by iwi authorities) and that identifies how hapū and whānau aspirations for urban development on whenua Māori² will be taken into account.

Addressing lessons learned from the NPS-UDC 2016

Some local authorities are still finalising their first FDSs under the NPS-UDC 2016. However, their progress gives insight into where the policy could be improved. The following issues have been identified:

- the timing for FDSs did not align well with other council processes (eg, long-term plans)
- the role of FDSs in the wider RMA and Local Government Act 2002 (LGA) planning frameworks has been largely undefined, leading to uncertainty about their ongoing implementation and statutory weighting.

Infrastructure funding

Local authorities often limit their provision of development capacity because of constraints on infrastructure funding. Other work under the UGA aims to support private funding for infrastructure. If the funding is available from other sources, this would help local authorities to be flexible in timing the release of land for development.

We want the FDS to be clear about where development can go, how the infrastructure to support it will be provided, and the local authority's contribution to that infrastructure. This will help identify funding gaps without holding up development. The FDS can identify when the funding has to come from somewhere else, including where private capital investment can release capacity.

An integrated spatial planning framework

There is no consistent framework for spatial planning in New Zealand; only Auckland Council is legally required to prepare a spatial plan. There is no framework for how spatial planning should interact with planning under the RMA, and until recently central government has generally not been involved as a key partner in local spatial plans. These factors have resulted in spatial plans of variable quality.

Notable recent reports have recommended defining, empowering and inserting spatial planning into our legislative framework.³ The upcoming Comprehensive Review of the Resource Management Act will look at options for making spatial planning integral to our planning system.

² Whenua Māori has the same meaning as Māori land in the Te Ture Whenua Māori Act 1993. This definition means both Māori customary land and Māori freehold land.

³ Environmental Defence Society, 2019. *Reform of the Resource Management System: Next Generation*; New Zealand Productivity Commission, 2017. *Better Urban Planning*; OECD, 2017. *Environmental Performance Review of New Zealand Draft Findings and Recommendations Part 2 – Progress Towards Selected Environmental Objectives*.

New legislation may take some time to develop, so the amendments seek to strengthen FDSs and promote better spatial plans as a step towards an integrated spatial planning framework.

What it would look like in the NPS-UD

The following draft objectives and policies indicate how this could be reflected in the NPS-UD.

Proposed objective/policy	Notes
<p>O1: To ensure long-term strategic planning, reflected in planning documents, provides for:</p> <ul style="list-style-type: none"> a) integrated land use and infrastructure b) quality urban environments. 	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • Amended NPS-UDC 2016 objective OD1
<p>P1A: Local authorities must, every three years, prepare or update a Future Development Strategy (FDS). An FDS is to demonstrate, for the medium and long term, how the local authority will:</p> <ul style="list-style-type: none"> a) achieve quality urban environments in its existing and future urban areas and b) meet residential development capacity bottom lines c) allocate development capacity across existing and future urban areas. 	<ul style="list-style-type: none"> • Applies to major urban centres (all others encouraged to give effect to these policies) • Drafted in time to inform relevant LTPs • Amended NPS-UDC 2016 policies PC12, PC14c
<p>P1B: An FDS need not be published as a separate document, but can be part of any other suitable document, for example a spatial plan.</p>	<ul style="list-style-type: none"> • Applies to major urban centres (all others encouraged to give effect to these policies) • Drafted in time to inform relevant LTPs • Amended NPS-UDC 2016 policies PC14
<p>P1C: Every FDS must be informed by:</p> <ul style="list-style-type: none"> a) the most recent HBA for the major urban centre b) analysis of costs and benefits of different spatial scenarios for accommodating growth c) scenario testing of different growth rates to ensure strategy is robust d) the long-term plans and infrastructure strategies required under the Local Government Act 2002, and any other relevant strategies, plans and documents e) iwi and hapū resource management issues of concern/significance for the urban environment, including those expressed in any relevant planning document recognised by an iwi authority. <p>Every FDS must consider other national direction.</p>	<ul style="list-style-type: none"> • Applies to major urban centres (all others encouraged to give effect to these policies) • Drafted in time to inform relevant LTPs • Amended NPS-UDC 2016 policies PC12, PC13c, PC14b
<p>P1D: Every FDS must identify:</p> <ul style="list-style-type: none"> a) areas where evidence shows urban development must be avoided b) future infrastructure corridors/locations c) broad locations for long-term feasible residential and business development capacity d) broad locations for residential intensification that contributes to quality urban environments e) the development infrastructure and other infrastructure needed to support growth f) how to provide for business land 	<ul style="list-style-type: none"> • Applies to major urban centres (all others encouraged to give effect to these policies) • Drafted in time to inform relevant LTPs • New policy

Proposed objective/policy	Notes
<p>g) how hapū and whānau aspirations for urban development on whenua Māori within their rohe will be taken into account</p> <p>h) how the strategy will be implemented. This must include:</p> <ol style="list-style-type: none"> estimates of local authority contributions to development infrastructure funding, and the indicative timing and sequencing financing gaps or other risks to the delivery of development infrastructure needs for the medium and long-term, and options for resolving this processes for working with land owners, developers and infrastructure providers to implement the FDS. 	
<p>P1E: In addition to the policies P10A–P10C, when local authorities are developing or updating FDSs for a major urban centre they must:</p> <ol style="list-style-type: none"> engage on their FDS with neighbouring local authorities where there are significant connections between infrastructure or communities work with relevant central government agencies give local iwi and hapū opportunities to identify the resource management issues of concern/significance to them relating to urban environments. 	<ul style="list-style-type: none"> • Applies to major urban centres (all others encouraged to give effect to these policies) • Drafted in time to inform relevant LTPs • New policy
<p>P1F: When developing or updating an FDS, local authorities:</p> <ol style="list-style-type: none"> must undertake a consultation process that complies with either Part 6 of the Local Government Act 2002 or Schedule 1 of the Act may combine that process with any other consultation process occurring on another related matter, such as the documents referred to in [P2H]. 	<ul style="list-style-type: none"> • Applies to major urban centres (all others encouraged to give effect to these policies) • Drafted in time to inform relevant LTPs • Amended NPS-UDC 2016 policy PC14a
<p>P1G: Local authorities must have particular regard for their medium to long-term development capacity allocation as set out in the FDS, when preparing changes to regional policy statements, regional plans, and district plans.</p>	<ul style="list-style-type: none"> • Applies to major urban centres (all others encouraged to give effect to these policies) • Drafted in time to inform relevant LTPs • New policy
<p>P1H: Local authorities are strongly encouraged to use their FDS to inform the relevant long-term plans and infrastructure strategies required under the Local Government Act 2002, the Regional Land Transport Plans under the Land Transport Management Act 2003, and any other relevant strategies, plans and documents. [See P2F]</p>	<ul style="list-style-type: none"> • Applies to major urban centres (all others encouraged to give effect to these policies) • Drafted in time to inform relevant LTPs • New policy
<p>P1I: Local authorities shall update their FDS every three years, in time to inform relevant long-term plans and infrastructure strategies required under the Local Government Act 2002, and Regional Land Transport Plans required under the Land Transport Management Act 2003.</p>	<ul style="list-style-type: none"> • Applies to major urban centres (all others encouraged to give effect to these policies) • Drafted in time to inform relevant LTPs • New policy

Questions

- 3 Do you support the proposed changes to Future Direction Strategies (FDSs) overall? If not, what would you suggest doing differently?
 - Do you support the approach of only requiring major urban centres to undertake an FDS? Would there be benefits of requiring other local authorities to undertake a strategic planning process?
 - What impact will the proposed timing of the FDS have on statutory and other planning processes? In what ways could the timing be improved?

5 Making room for growth

This part of the NPS-UD sets out how RMA planning instruments (such as regional policy statements, and regional and district plans) and the decisions made under them will allow for growth.

Describing quality urban environments

Summary of the proposal

The NPS-UD would give direction on what is meant by quality urban environments, both in existing and future urban environments. It would do this through:

- an objective that sets out a non-exhaustive description of the features of a quality urban environment
- policies to ensure planning decisions consider whether quality urban environments can be achieved
- a comprehensive description of a quality urban environment in the preamble to the NPS-UD.

Rationale

With the focus of the NPS-UD on making room for growth, it is especially important to ensure this contributes to quality urban environments, in both existing urban areas and in future urban/greenfield development. In making choices about the development that occurs in cities – both up and out – the central consideration for local authorities should be achieving the features and functionality of quality urban environments.

Section 7 of the RMA requires decision-makers to have particular regard to the “maintenance and enhancement of the quality of the environment”. ‘Quality’ is not defined and can mean different things in urban environments compared to other environments, and across urban settings.

Some planning decisions on urban development appear to consider only the effects on the natural environment or specific amenity considerations, and not how the urban environment meets the social, economic and cultural needs of people and communities. Many decisions focus on the adverse effects of development, and do not adequately address its benefits (including for future generations). This can have a local and national impact.

When the NPS-UDC 2016 was being drafted, Treaty partners, iwi organisations, local authorities and other stakeholders submitted that it was too narrowly focused on the volume of development capacity. They argued that the NPS should also recognise the importance of quality and the broader remit of local authorities in promoting this.

Although other factors also contribute to a quality environment, the proposed objective focuses on matters that:

- are specific to urban environments
- can be enhanced by urban development
- are not covered by other forms of national direction.

The preamble to the NPS-UD would contain a wider description of things that contribute to quality environments. This could include:

- reducing the impact on the natural environment
- using ecologically sensitive design
- enhancing safety and good health
- promoting resilience to the impacts of natural hazards
- providing a range of transport options
- reflecting historical and cultural heritage in the urban environment.

The preamble would not have legal weight, but aims to explain the intent of the NPS-UD.

What it would look like in the NPS

The following draft objectives and policies indicate how this could be reflected in the NPS-UD:

Proposed objective/policy	Notes
<p>O2: To enable quality urban environments that make it possible for all people, whānau, communities and future generations to provide for their well-being, including by:</p> <ul style="list-style-type: none"> a) offering people access to a choice of homes that meet their demands, jobs, opportunities for social interaction, high-quality diverse services and open space b) providing businesses with economies of scale, with access to many consumers, suppliers, skilled people and sources of innovation c) using land, energy and infrastructure efficiently d) responding to changing needs and conditions. 	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • New objective
<p>O3: To enable development in locations and in ways that maximise its positive contribution to, and minimise its negative impact on, quality urban environments.</p>	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • New objective
<p>P2A: When making planning decisions that affect urban development, and the way and rate at which development capacity is provided, local authorities must have particular regard to:</p> <ul style="list-style-type: none"> a) enabling a range of dwelling types and locations, working environments and business locations b) limiting as much as possible adverse impacts on the competitive operation of land and development markets. <p>When making decisions on consent applications that affect urban development, and the way and rate at which development capacity is taken up, decision-makers must have regard to the need, consistent with this NPS, to:</p> <ul style="list-style-type: none"> c) provide a range of dwelling types and locations, working environments and business locations d) limit as much as possible the adverse impacts on the competitive operation of land and development markets. 	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • Amended NPS-UDC 2016 policy PA3
<p>P2B: When making or updating policies, plans and strategies, local authorities must have particular regard to:</p> <ul style="list-style-type: none"> a) the positive impacts of urban development to contribute to a quality urban environment as described in O2 b) the benefits and costs of urban development at national, inter-regional, regional and district scale, as well as locally. 	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • Amended NPS-UDC 2016 policy PA4

When making decisions on consent applications, decision-makers must have regard to:

- c) the positive impacts of urban development to contribute to a quality urban environment as described in O2 and
- d) the benefits and costs of urban development at national, inter-regional, regional and district scale, as well as locally.

Questions

- 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?
 - Do you support the features of a quality urban environment stated in draft objective O2? Why/why not?
 - What impacts do you think the draft objectives O2–O3 and policies P2A–P2B will have on decision-making?

Amenity values in urban environments

Summary of the proposal

The Government intends to introduce objectives and policies in the NPS-UD that would:

- emphasise that amenity values can change over time, with changes in communities and their values, and through the opportunities urban development offers
- shift the current perception that urban development only has negative effects on amenity for individuals, to also recognise that it can enhance amenity for other people and communities
- emphasise that local authorities should consider amenity values for current and future communities.

What are amenity values?

Under the RMA, “amenity values” mean the “natural or physical qualities and characteristics of an area that contribute to people’s appreciation of its pleasantness, aesthetic coherence, and cultural and recreational attributes”.

Resource management planning often focuses on aesthetic values (eg, views or vegetation) but amenity can describe a range of things that help people appreciate their environment (such as places for recreation or cultural activity).

Rationale

Cities offer different kinds of amenity for the diverse communities who live in them. Good quality development can enhance amenity to meet changing demands and preferences. Local authorities should consider how to meet the needs of the whole community, rather than just a small minority.

Planning for the whole community

In its 2018 report, Beca found that “the barriers to facilitating development appear to be from the emphasis local authorities put on the ‘present state’ and built form of amenity, rather than

any future environment that would result in an area, and the social and physical infrastructure parts of amenity”.⁴

Current planning reflects a bias towards the status quo and away from change. In the interplay between present expectations and future needs:

- individuals and communities tend to be concerned about change and its impact on their way of life, including the value of their existing investment in those communities
- potential and future community members, as well as lower socio-economic groups, are under-represented or absent in planning processes
- Māori are under-represented in RMA planning processes.

The aim is to ensure local authorities give enough weight to the types of amenity that benefit the whole community.

What it would look like in the NPS-UD

The following draft objectives and policies indicate how this could be reflected in the NPS-UD:

Proposed objective/policy	Notes
O4: Urban environments provide for the diverse and changing amenity values of individuals and communities.	<ul style="list-style-type: none">• Applies to all urban environments• Applies immediately• New objective
P3A: In making planning and consent decisions, decision-makers must recognise that amenity values: a) vary among individuals and communities b) change over time.	<ul style="list-style-type: none">• Applies to all urban environments• Applies immediately• New policy

⁴ Beca Ltd, 2018. *Enabling Growth – Urban Zones Research: Key Observations, Findings and Recommendations*.

Questions

- 5 Do you support the inclusion of proposals to clarify that amenity values are diverse and change over time? Why/why not?
- Do you think these proposals will help to address the use of amenity to protect the status quo?
 - Can you identify any negative consequences that might result from the proposed objective and policies on amenity?
 - Can you suggest alternative ways to address urban amenity through a national policy statement?

Enabling opportunities for development

Summary of the proposal

The Government intends to build on and amend the objectives and policies in the NPS-UDC 2016 on enabling opportunities for development. Currently, the policies in the NPS-UDC 2016 require local authorities to provide sufficient development capacity to meet demand.

The amendments would:

- replace the concept of ‘sufficient’ capacity with one of enabling enough capacity to meet demand, including recognising that not all development opportunities will be taken up
- clarify that enabling development capacity to meet demand includes not only the total capacity, but also diversity of locations and housing types, at a range of prices to meet different income levels
- require consideration of likely take-up as a component of what is enough development capacity
- require local authorities to inform the Minister for the Environment if they cannot enable enough development capacity for any reason
- move the policy of additional margins of capacity into technical requirements, as part of a housing and business development capacity section (discussed in [appendix 3: Policies for Housing and Business Development Capacity Assessments](#)).
- replace the current development capacity targets with bottom lines to better reflect the intent of the policy
- clarify the response expected of local authorities when the evidence tells them their capacity falls short.

The definition of ‘feasible’ in the NPS-UDC 2016 is also proposed to change, along with further direction for calculating the required development capacity in the Housing and Business Development Capacity Assessments. These components are discussed in [appendix 3: Policies for Housing and Business Development Capacity Assessments](#).

Rationale

The NPS-UDC 2016 includes requirements for local authorities to plan for sufficient, feasible development capacity that meets demand.

Addressing the concept of ‘sufficient’

The use of the word ‘sufficient’ to describe the development capacity needed implies a target to reach for rather than the minimum amount to enable. As well as removing the concept of sufficient we are proposing that the development capacity enabled through plans must be feasible, and *likely to be taken up*.

These changes will require local authorities to allow more opportunities for development in local authority plans. This requirement is intended to recognise that only a portion of the development that is enabled will actually occur. It aims to ensure local authorities provide a more realistic amount of development capacity through their plans. This is discussed further in [appendix 3: Policies for Housing and Business Development Capacity Assessments](#).

Local authorities must still respond to any shortfalls in development capacity identified in the short, medium or long term. The amendments clarify what the response to a long-term shortfall should be.

Setting bottom lines

We are proposing that local authorities in major urban centres must set a bottom line in their plans, for the total development capacity needed to meet estimates for demand and additional margins as calculated in the HBA. The term ‘bottom line’ replaces the previous use of ‘target’, again to reflect that this is a minimum amount, and that more is better. See Housing and Business Development Capacity Assessments ([appendix 3](#)) for more details.

Addressing the lack of development capacity

The definition of development capacity includes the provision or funding of ‘development infrastructure’ in the short and medium term. This may mean that local authorities cannot enable feasible development capacity because of limited infrastructure funding. To recognise this, a new policy has been added to notify the Minister for the Environment if a local authority cannot meet requirements under the NPS-UD for development capacity (for any reason), and to begin the discussion with the Government about how to address this.

What it would look like in the NPS

The following draft objectives and policies indicate how this could be reflected in the NPS-UD:

Proposed objectives/policies	Notes
O5: To ensure local authority policies, plans and strategies enable enough opportunities for development to meet diverse demands for housing and business land.	<ul style="list-style-type: none">• Applies to all urban environments• Applies immediately• New objective based on NPS-UDC 2016 objective OA2
P4A: Local authorities must ensure at all times their plans enable at least enough development capacity that is feasible and likely to be taken up to meet the demand for dwellings (in terms of location, typology and price) and business land (in terms of location, floor area and extent of land) over the short, medium and long term. A local authority meets these obligations by ensuring: a) Short term – that the development capacity is enabled by resource management plans and serviced with development infrastructure	<ul style="list-style-type: none">• Applies to all urban environments• Applies immediately• Amended NPS-UDC 2016 policy PA1

Proposed objectives/policies	Notes
<p>b) Medium term – that the development capacity is enabled by resource management plans and either:</p> <ol style="list-style-type: none"> is serviced with development infrastructure, or the funding for the development infrastructure required to service that development capacity must be identified in a Long Term Plan required under the Local Government Act <p>a) Long term – that:</p> <ol style="list-style-type: none"> the development capacity is identified in all relevant plans and strategies (including the FDS) the development infrastructure required to service it is identified in the relevant Infrastructure Strategy required under the Local Government Act 2002. 	
<p>P4B: As soon as a local authority determines that it cannot provide the required development capacity, it must notify the Minister.</p>	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • Amended NPS-UDC 2016 policy PA1
<p>P4C: In providing development capacity, a local authority must be satisfied that the other infrastructure required to support urban development is, or is likely to be, available.</p>	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • Amended NPS-UDC 2016 policy PA1
<p>P4D: Every local authority must set bottom lines for the total amount of development capacity it must provide to meet the demand (as determined under the most recent HBA) for dwellings. Bottom lines must:</p> <ol style="list-style-type: none"> be set for both the medium term and the long term be reviewed every three years. 	<ul style="list-style-type: none"> • Applies to major urban centres • Inserted into plans within 12 months of HBA being completed • Amended NPS-UDC 2016 policies PC5-PC11
<p>P4E: Regional authorities must incorporate a bottom line set under P4D in their regional policy statements.</p> <p>Territorial authorities must incorporate an appropriate proportion of every bottom line in their district plans, as informed by the strategic guidance in the current applicable FDS. This must be done without using the process in Schedule 1.</p> <p>[But note that Schedule 1 must be used when amending a plan to give effect to the bottom lines.]</p>	<ul style="list-style-type: none"> • Applies to major urban centres • Inserted into plans within 12 months of HBA being completed • Amended NPS-UDC 2016 policies PC5-PC11
<p>P4F: If an HBA indicates that a bottom line in a policy or plan is inadequate in the medium or long term, the local authority must revise the bottom line and update their policy or plan accordingly.</p>	<ul style="list-style-type: none"> • Applies to major urban centres • Inserted into plans within 12 months of HBA being completed • Amended NPS-UDC 2016 policies PC5-PC11
<p>P4G: If an HBA or any other evidence or monitoring indicates that there is inadequate development capacity, the local authority must:</p> <ol style="list-style-type: none"> consider all options (under any legislation) to enable development, such as integrated and coordinated consenting processes increase development capacity by changing policy statements and plans, including changes to zoning, objectives, policies, rules and spatial layers that apply in existing urban environments and greenfield areas if the inadequacy relates to the long term, update its FDS consider all other options for increasing development capacity. 	<ul style="list-style-type: none"> • Applies to major urban centres • Response shall be initiated within 12 months of problem being identified • Amended NPS-UDC 2016 policy PC3

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?

Ensuring plan content provides for expected levels of development

Summary of the proposal

The Government is proposing to introduce requirements in the NPS-UD for district plans in major urban centres to include zone descriptions for each zone, which describe the expected types and nature of development that is intended within the zone. These zone descriptions should be consistent with the National Planning Standards.

The NPS-UD would also require that development is consistent with the outcomes in the zone descriptions. This would include directing local authorities to:

- ensure the objectives, policies, rules and assessment criteria in district plans are individually and collectively consistent with the expected development for the zone
- be clear in analysis supporting decision-making about the impact of the proposed objectives, policies, rules and assessment criteria on development capacity, and whether they are consistent with the planned level of development in the FDS
- respond through plan changes and other methods when evidence suggests that development will not achieve the outcomes in the zone descriptions
- show how evidence has been considered in decision-making.

Rationale

Current district plans generally have objectives and policies that are consistent with enabling development. However, the collective impact of rules and assessment criteria in plans often doesn't support the kinds of development envisioned by the plan.⁵

Zone descriptions will set out the outcomes for development, and the resulting changes (including for different types of amenity). This sets clear expectations about the type of development intended for an area, giving communities certainty about what will be protected while enabling projects to go ahead.

Section 32 reports often assess the individual impact of rules, but it is their cumulative effect that has the real impact on development. Zone descriptions provide a broader outcome against which the objectives, policies, rules and assessment criteria (including relevant spatial layers) can be measured – individually and cumulatively. When these collective objectives, policies, rules and assessment criteria fail to enable the outcomes in the zone descriptions, the proposal requires a review and a response (including plan changes and other methods) from the local authority.

⁵ Beca Ltd, 2018. *Enabling Growth – Urban Zones Research: Key Observations, Findings and Recommendations*.

The NPS proposes an explicit demonstration of the analysis to inform urban development decisions. This ensures decision-making is transparent and made in full knowledge of the impacts.

What it would look like in the NPS

We are proposing to include the following objectives and policies in the NPS-UD:

Proposed objectives/policies	Notes
<p>O6: To ensure local authorities:</p> <ol style="list-style-type: none"> make decisions on urban development based on the best available evidence respond promptly to evidence about changing demands for housing and business land identify the evidence on which decisions about urban development are made. 	<ul style="list-style-type: none"> Applies to all urban environments Applies immediately New objective
<p>P5A: District plans must include, for each zone in an urban area, a zone description that describes the expected types and nature of development, [including expected levels of amenity], consistent with growth identified in the FDS.</p>	<ul style="list-style-type: none"> Applies to major urban centres Applies immediately Amended NPS-UDC 2016 objective OC2
<p>P5B: Territorial authorities must:</p> <ol style="list-style-type: none"> make an assessment to ensure the objectives, policies, rules, and assessment criteria set out in district plans are individually and collectively consistent with the expected development for each zone as described in the zone description enable the development of the zone to occur as described in the plan monitor and report on whether development is occurring as described in the plan as a component of section 35 efficiency and effectiveness monitoring. 	<ul style="list-style-type: none"> Applies to major urban centres Applies at next plan review or when implementing the planning standards New policy
<p>P5C: If monitoring indicates that development capacity is not being taken up to achieve the development expected in a zone, the local authority must undertake a review to understand why, and:</p> <ol style="list-style-type: none"> change relevant objectives, policies, rules and assessment criteria through a plan change to the extent needed to achieve the development expected, and/or identify any constraints outside their resource management plans to achieving the expected development for the zone. 	<ul style="list-style-type: none"> Applies to major urban centres Applies immediately New policy
<p>P5D: When making planning decisions that affect the development of urban environments, local authorities demonstrate analysis that includes:</p> <ol style="list-style-type: none"> a clear articulation of the resource management matters being managed an assessment of the costs and benefits of different options for urban development and their contribution to achieving a quality urban environment (as described in Objective 1) an assessment of the impact of different urban development options on providing enough development capacity an assessment of regulatory and non-regulatory options for contributing to a quality urban environment and providing enough development capacity an analysis of consistency with the relevant FDS demonstration that they have been informed by relevant evidence and monitoring required under this NPS. 	<ul style="list-style-type: none"> Applies to major urban centres Applies immediately New policy

Questions

- 7 Do you support proposals requiring objectives, policies, rules, and assessment criteria to enable the development anticipated by the zone description? Why/why not?
 - Do you think requiring zone descriptions in district plans will be useful in planning documents for articulating what outcomes communities can expect for their urban environment? Why/why not?
 - Do you think that amenity values should be articulated in this zone description? Why/why not?

Providing for intensification

Summary of the proposal

The Government intends to introduce provisions in the NPS-UD that would direct local authorities to enable higher-density residential development in specified areas. The most directive policies would only apply in major urban centres, with lesser requirements for all urban environments. The areas would be where the benefits could be maximised: for example where there is, or is intended to be, good access to jobs and proximity to public and active transport links or town centres, and where there is high demand for more intensive development (as indicated by prices). These policies apply to development in existing and future urban areas.

We are proposing a range of policies to do this:

- a general objective and policy for directing intensification where the benefits can be maximised
- options for reflecting this direction in policy statements for regions with major urban centres
- options for directive policies for district plans and for consideration at consent level for major urban centres.

Rationale

Part of the reason for the current constrained supply of housing and continuing unaffordability is the limited choice and variety of well-integrated, higher-density housing. A lack of higher-density housing fuels higher prices across entire cities, not just where intensification might be appropriate.

Often higher-density housing is not developed in a way that enhances the urban environment – in the right quantity, type or location that supports affordable living to meet the diverse needs of people and communities.

Bias towards existing property owners

One cause is a political bias towards local propertied interests. Restrictions on intensification often reflect the interests of current property owners (who may not want change in their neighbourhood) over the needs of the wider community – for example renters, new home buyers, social housing providers and future generations. These groups are prevented from living in homes close to the best job options, services and amenities. They are also less likely to

live in areas easily accessible by public and active transport. Those most affected are people on low, medium and even above average incomes, particularly young people, working families, Māori and Pacific people. As a result they spend more on transport to get to high-demand locations.

Maximising benefits

The proposed objectives and policies are intended to shift the focus to intensification in all areas that can maximise the benefits, unless there is a good (evidenced) reason not to. Locating higher-density development in and around centres supports closer matching of housing and jobs. This results in productivity benefits for business while giving better access to amenities and services. It makes efficient use of existing social and hard infrastructure and improves the viability of public transport services, while also promoting health and protecting the environment through more walking and cycling and less use of cars.

Providing for greater density in greenfield development

Higher-density living should not just be provided for in existing urban environments. Greenfield development should also provide opportunities for higher-density housing, especially where there is, or is intended to be, good access to jobs, and proximity to public and active transport links or town centres.

What it would look like in the NPS-UD

The following draft objectives and policies indicate how this could be reflected in the NPS-UD:

Proposed objective/policy	Notes
O7: To provide for the benefits of urban intensification by allowing for increased density in areas where those benefits are best realised.	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • New objective
P6A: Enable higher-density development, especially in areas where there are one or more of the following <ol style="list-style-type: none"> a) proximity to many employment opportunities b) urban amenities and services are easily accessible by existing or planned active transport and public transport networks c) high demand for housing d) best use can be made of existing or planned infrastructure, services and facilities. 	<ul style="list-style-type: none"> • Applies to all urban environments • Plan changes to be notified within 18 months of gazetting the NPS-UD • New policy
P6B: Regional councils must include the following objective into their regional policy statements: <i>To enable residential intensification that ensures the efficient use of existing urban land, infrastructure, services and facilities.</i>	<ul style="list-style-type: none"> • Applies to major urban centres • Applies immediately • New policy

The timing for these policies is discussed in more detail in the section on [‘timing’](#).

Options for directing intensified development

The Government is considering two options for directing intensification through district plan policies for major urban centres.

Proposed objective/policy	Notes
<p>P6C Option 1: descriptive approach</p> <p>District plans must zone for <i>higher-density residential activities</i> within a suitable catchment area (ie, accessible by active transport modes) around frequent public transport stops and centres.</p> <p><i>Higher-density residential activities</i> are those with a concentrated bulk of buildings such as terraced housing and apartments.</p>	<ul style="list-style-type: none"> • Applies to major urban centres • Plan changes to be notified within 18 months of gazetting the NPS-UD • New policy
<p>P6C Option 2: prescriptive approach</p> <p>District plans must:</p> <ol style="list-style-type: none"> zone for <i>high-density</i> residential activities within an 800m walkable catchment of centres and frequent public transport stops, except where evidence demonstrates intensification should not be enabled; and zone all residential and mixed use areas within 1.5 km of city centres for <i>high-density</i> development. <p><i>High density</i> is where there is a minimum overall density of 60 residential units per hectare.</p>	<ul style="list-style-type: none"> • Applies to major urban centres • Plan changes to be notified within 18 months of gazetting the NPS-UD • New policy

Both options have two components: location and density, which are not mutually exclusive.

- **Option 1** (the descriptive approach) gives more scope for local authorities to decide on location, while still giving direction on this. However, it may not be as effective at shifting the focus to higher density in these areas.
- **Option 2** (the prescriptive approach) is clearer in identifying locations. However, 800 metres is a fairly crude measure for walkable catchments, and a density descriptor of 60 dwellings per hectare may not be workable in all locations.

Considering the benefits of higher-density development in consenting decisions

It will take time for local authorities to work through the planning changes required to give effect to the policies above. In the meantime, we propose that local authorities insert the following policy directly into their district plans. This gives greater weight to applications for higher-density development in the areas identified in P6A and P6C above, where the zone does not already provide for this level of density.

Proposed objective/policy	Notes
<p>P6D: Territorial authorities must include the following policy in their district plans:</p> <p><i>When considering an application for a higher-density residential activity than is currently provided under this plan, the consent authority must have particular regard to whether:</i></p> <ol style="list-style-type: none"> <i>the site is in an area that is required under the NPS-UD to enable intensification</i> <i>the development will provide more choice of housing.</i> 	<ul style="list-style-type: none"> • Applies to major urban centres • Applies immediately • New policy

Questions

- 8 Do you support policies to enable intensification in the locations where its benefits can best be achieved? Why/why not?
- What impact will these policies have on achieving higher densities in urban environments?
 - What option/s do you prefer for prescribing locations for intensification in major urban centres? Why?
 - If a prescriptive requirement is used, how should the density requirement be stated? (For example, 80 dwellings per hectare, or a minimum floor area per hectare.)
 - What impact will directly inserting the policy to support intensification in particular locations through consenting decisions have?

Providing for further greenfield development

Summary of the proposal

To meet growth requirements local authorities may need to provide for growth out as well as up. An important part of this work is to ensure outward development is managed in the best way possible to deliver quality urban environments, while being responsive to development beyond areas planned for.

The Government is considering provisions in the NPS-UD that would direct local authorities with major urban centres in their jurisdiction to consider plan change requests for urban development in locations that are out of sequence (eg, locations that are identified for future urban development but are dependent on land release sequence), or outside of areas identified for urban development where particular conditions are met. For example, where this development would support good urban outcomes, environmental effects could be adequately managed, and the full costs of development (including on the wider network) could be met. These conditions are not intended to override or replace the consideration of environmental effects through a usual plan change process – those considerations must still take place.

Rationale

Local authorities signal where they are planning on enabling the future development of the urban area through local plans (eg, holding zones like the future urban zones in Auckland) or through non-statutory processes like spatial planning. These plans and processes often signal where urban development can occur once certain conditions are met, such as the provision of trunk infrastructure and other amenities that support urban areas.

The proposed NPS-UD recognises the value of having well-integrated and coordinated growth areas. This is encouraged through the FDS requirements. However, the proposed NPS-UD also recognises that urban areas are dynamic and complex systems that are continually changing in response to wider economic and social change. As much as cities need to anticipate and plan for growth, they must also remain open to change and be responsive to demand.

One challenge with the current planning system is that it is not responsive enough to changing circumstances or opportunities. Existing urban boundaries or planned land release sequences are sometimes defended to encourage a particular urban settlement pattern, or to manage

infrastructure costs. The proposed NPS-UD is seeking to support the UGA's objective to provide a system that is more open and responsive to new urban development opportunities in the areas where they are most needed.

The intention is that these plan changes for urban development are (or will be) well connected to jobs and amenities through transport choice (especially by public or active transport) and that the onus to provide infrastructure (including wider network considerations) should not fall on the local authority when not provided for by their long-term plan and/or development plan process.

It is intended that a policy would only apply to decisions on plan changes (not resource consents). There would still be many areas where it is not appropriate to locate urban development or where there needs to be controls on the types of urban development enabled. Plan change processes would still apply, and would require a proper consideration of the potential effects of the plan change and also need to give effect to other national direction (for example, the proposed [NPS for Highly Productive Land](#)).

What it would look like in the NPS-UD

The following text attempts to articulate the rationale above in a policy form. We are seeking specific feedback on how to draft this policy and recognise that the text below would require more refinement to make it workable.

Example policy:

When considering a plan change that enables urban development that is not otherwise enabled in the plan, local authorities must provide for urban development when all of the following apply:

- a. Development enabled by the plan change would contribute to a quality urban environment, including access to transport choice.
- b. Development enabled by the plan change would not have adverse effects on protected areas or areas identified for restoration.
- c. Development under the plan change can occur in a way that is appropriate, safe, and resilient in the long term in respect of natural hazards and the effects of natural hazards.
- d. Reverse sensitivities are appropriately managed within and adjacent to the location or locations that are the subject of the plan change.
- e. Infrastructure to enable the long-term development of the land can be provided.

Questions

- 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?
- How could the example policy better enable quality urban development in greenfield areas?
 - Are the criteria in the example policy sufficiently robust to manage environmental effects to ensure a quality urban environment, while providing for this type of development?
 - To what extent should developers be required to meet the costs of development, including the costs of infrastructure and wider impacts on network infrastructure, and environmental and social costs (recognising that these are likely to be passed on to future homeowners/beneficiaries of the development)? What impacts will this have on the uptake of development opportunities?
 - What improvements could be made to this policy to make development more responsive to demand in suitable locations beyond areas already identified for urban development?

Removing minimum car parking requirements

Summary of the proposal

It is proposed that the NPS-UD include a policy that limits the ability for local authorities in major urban centres to regulate the number of car parks required for a development. We are consulting on three possible options:

- **Option 1:** removing the ability for local authorities to regulate the requisite number of car parks.
- **Option 2:** removing the ability for local authorities to set minimum car park requirements.
- **Option 3:** removing the ability for local authorities to set minimum car park requirements in areas providing for more intensive development.

Central government will support implementation of this policy. Methods will include working with local authorities to develop alternative ways to manage car parking, including demand for on-street parking, and working with the Ministry of Transport and the New Zealand Transport Agency to explore best practice.

Rationale

Local authorities in New Zealand have traditionally required developments to have a certain amount of on-site car parking. The amount is determined by the activity on the site (for example, a residential site may require one to two car parks per residential unit, and an office building four per 100 m²). Each site is usually required to provide for its own peak demand, although different types of uses have different peaks. Car parking has been required to address effects including the economic well-being of businesses and residential amenity.

This has led to an oversupply, where most car parks are empty at any given time. The cost for environmental, social and economic well-being includes:

- inefficient land use and higher development costs due to land better used for other development being set aside for car parking
- increased traffic congestion and greenhouse gas emissions from more car use and from people searching for parking
- cheap or free parking subsidising car use relative to other transport modes
- adverse effects on the built environment where car parking is visually dominant and impacts on character
- more issues for stormwater management and water quality due to more impermeable surfaces and contaminant run-off.

These costs are particularly significant when looking to provide for increased density, affordable housing and quality urban environments with a choice of transport modes. A number of metropolitan centres have removed minimum parking requirements, and in some cases have introduced maximum limits in district plans for central city and higher-density zones. The benefits of this approach are considered to include more efficient land use, reduced transport costs and better urban design.

The policy supports sustainable management by promoting the more efficient provision and use of land for car parking. It proposes to achieve this by removing the ability of a local authority to regulate car parking requirements. The aim is to meet the NPS-UD objectives to enable quality urban environments and efficient land use, and reduce the cost of development.

This approach provides an opportunity for local authorities and developers to consider car parking as a shared resource and to manage this accordingly, using methods including shared parking strategies and parking management plans. For example, a supermarket, an office block and an apartment block all experience a peak in demand for parking at different times during the day and the week, and could benefit from sharing this resource. Other methods include:

- separating parking provision from land-use activities
- parking, travel and transport management plans
- performance-based pricing to optimise parking occupancy
- investment in public transport to support transport choice
- education campaigns on the benefits of travel by other modes.

Central government will support local authorities with alternative parking strategies that complement existing planning rules.

On balance, the benefits of removing car parking requirements outweigh the potential drawbacks. This approach does not preclude developers from providing car parking. Rather it addresses the oversupply of car parking as a whole, and recognises the trade-offs for developers and consumers when choosing modes of transport. Further, the removal policy does not extend to accessible parking, which is generally required as a proportion of the parking provided (for example, one accessible space for every five car parks), or the provision of parking with electric vehicle charge points or car share services.

This proposed change also supports the Government Policy Statement on Land Transport 2018 to deliver its strategic objectives of safety, access, environment and value for money, as well as government policies on climate change.

What it could look like in the NPS

We are considering three options for how this policy would apply:

Proposed objective/policy	Notes
P7A Option 1 Local authorities must remove any district plan rule or standard that requires the provision of car parking for any activity.	<ul style="list-style-type: none">• Applies to major urban centres• Removal of plan rules within 18 months of gazetting the NPS-UD
P7A Option 2 District plans must not regulate car parking using minimum parking requirements.	<ul style="list-style-type: none">• Applies to major urban centres• Removal of plan rules 18 months of gazetting the NPS-UD• New policy
P7A Option 3 District plans must not regulate car parking using minimum parking requirements in medium- and high-density residential, commercial and mixed use areas.	<ul style="list-style-type: none">• Applies to major urban centres• Plan changes to be notified within 18 months of gazetting the NPS-UD• New policy

Option 3 would work together with the proposed policies on intensification, to ensure removing parking standards is supported by good access to existing or planned active transport and public transport networks.

Questions

- 10 Do you support limiting the ability for local authorities in major urban centres to regulate the number of car parks required for development?
- Which proposed option could best contribute to achieving quality urban environments?
 - What would be the impact of removing minimums in just high- and medium-density, commercial, residential and mixed-use areas, compared with all areas of a major urban centre?
 - How would the 18 month implementation timeframe impact on your planning processes?
 - What support should be considered to assist local authorities when removing the requirement to provide car parking to ensure the ongoing management of car parking resources?

More directive intervention to enable quality urban development

Summary of the proposal

The Government is concerned that, although it is often the cumulative impact of rules that constrains or enables urban development, some specific planning rules may unduly limit the type and form of development that occurs. We are exploring whether more direct intervention using national direction tools should require, preclude or replace certain rules in district plans. This could be done, for example, through a national environmental standard (NES) or a national planning standard (planning standard).

Examples of rules that could be considered include:

- height, or height in relation to boundary, which limit upward development
- density and subdivision standards, which constrain the size of properties or numbers of houses per property
- private outdoor space, which may not respond to the potential to leverage public or shared outdoor spaces
- site coverage, which limits the amount of a property that can be covered by buildings
- minimum floor areas/apartment sizes, which reduce the variety the market can offer.

We are seeking your views on which rules and tools need attention to remove unnecessary constraints on development in local authority plans. Any future proposals to intervene in the planning system will need to be carefully developed, to understand the actual and potential effects, and to ensure national direction is consistent with Part 2 of the RMA.

Rationale

The Government wants planning culture to shift to enabling urban development, while also appropriately managing its effects. This discussion document proposes a range of policies and plan content to support councils to enable sustainable growth: promoting intensification (O7, P6A–P6D), reducing car parking regulation (P7A), and requiring local authorities to look at all their rules to ensure they deliver the outcomes sought (O6, P5A–PP5D). These policies could be supported by more direct intervention by central government to address restrictive rules in plans.

High cost of particular rules

Some rules have a big impact on opportunities for urban development. For example, the 2015 Productivity Commission report, *Using Land for Housing*, found that (especially in and around centres):

building height limits significantly reduce development capacity. Such restrictions contribute to housing shortages and higher house prices, and force cities to move outward, increasing transport costs for some residents. They weigh against objectives of increasing urban density and using city land more efficiently. Although building height limits can play a role in managing local externalities from development, they also create costs that are felt across a city.⁶

Rules can not only restrict the type of development; they can also add significant costs. An Auckland example (pre-Unitary Plan) found that height limits and balcony requirements for apartments can each add over \$30,000 per apartment. Rules on increased floor to ceiling heights can add over \$10,000 per apartment. The same study found that minimum floor area requirements reduce the supply of affordable units.⁷ There may be a case to set national expectations or directions for using such rules.

⁶ New Zealand Productivity Commission. 2015. *Using Land for Housing*, p 108.

⁷ Grimes A, Mitchell, I. January 2015. *Impacts of planning rules, regulations, uncertainty and delay on residential property development*. Motu Economic and Public Policy Research.

Inconsistent use of rules

Development standards or rules in plans vary across the country – in some cases this reflects local circumstances but in others there is a strong case for consistency.

It is also not clear that rules in plans are always consistent with the intent of those plans, as rules are often rolled over from a previous plan during a review. For example, by looking at district plans across high-growth councils, a 2018 report by Beca⁸ commissioned by the Ministry for the Environment found that the rationale for different residential zone height limits or height to boundary standards appear to reflect historical local planning, rather than robust consideration of the need for restrictions.

The Beca report recommended a review of development controls (rules) in district plans. This would test which rules are required to manage effects (especially on the residential amenity of adjoining sites), and then develop a consistent approach for these. This is especially relevant for higher-density projects.

These examples suggest there could be value in a nationally consistent approach to such rules across local authority plans, particularly those in major urban centres.

Planning provisions that enable more density and variety

Some plans already enable greater diversity of housing typologies. For example the:

- Auckland Unitary Plan provides for more than four units in particular zones to be non-notified if they comply with key development controls and alternative height provisions for terrace housing
- Christchurch District Plan includes an “enhanced development mechanism” that enables higher density if it meets specific criteria
- Hamilton City Plan provides for duplex dwellings in most residential areas and non-notified under some circumstances.

There could be value in exploring ways to enable denser and more varied urban development as of right – particularly in major urban centres where housing pressures are greatest. The Government is seeking to understand its role in supporting such approaches.

What this proposal could look like in more directive intervention

Removing the ability to use particular rules or combinations of rules

A more directive national direction tool could remove or replace rules (or the objectives, policies and rules in the case of a planning standard) for an urban area or particular zone. In the development of any tool that removes or introduces rules, it will be important to understand the interactions with other planning rules. The cumulative impact could thwart the aim of the changes, and simply overriding the other rules may not provide good outcomes.

⁸ Beca Ltd. August 2018. *Enabling Growth – Urban Zones Research: Key Observations, Findings and Recommendations*.

Examples of rules that national direction could remove include:

- minimum lot sizes in particular zones, to enable greater variety and choice in properties and houses
- height to boundary rules in high-density zones, recognising that these rules may be most relevant in neighbourhoods with detached housing as the main built form
- the ability to set minimum house or apartment sizes, recognising that preferences are changing and that the demand for smaller dwellings may not currently be met.

The NPS-UD is already proposing to remove car parking requirements in some areas. This responds to strong evidence that such requirements do not support the outcomes desired across urban areas, including the efficient use of land. Similarly, strong evidence would be needed to progress any proposals to remove or restrict the use of other rules or development controls.

Enabling development

A national direction tool could require plans to be clearer about the baseline level of development expected for an urban area or zone. For example allow for:

- buildings up to three or four storeys high, across an urban area or in a particular zone
- smaller residential properties in lower density zones to encourage innovation in affordable housing.

Questions

- 11 Do you think that central government should consider more directive intervention in local authority plans?
 - Which rules (or types of rules) are unnecessarily containing urban development?
 - Can you identify provisions that are enabling higher-density urban development in local authority plans that could be provided for either nationally or in particular zones or areas?
 - Should a minimum level of development for an individual site be provided for across urban areas (for example, up to three storeys of development is a permitted activity across all residential zones)?
 - Given the potential interactions with the range of rules that may exist within any given zone, how could the intent of more directive approaches be achieved?

6 Evidence for good decision-making

This part of the National Policy Statement on Urban Development (NPS-UD) underpins the other components by requiring local authorities to develop, maintain and monitor an evidence base about demand, supply and prices for housing and business land – and the impact planning has on them.

This evidence should inform planning decisions, including future development strategies (FDSs), development capacity bottom lines and plan changes.

These policies are based on existing NPS-UDC evidence and monitoring requirements, with some amendments and additions.

This section should be read with [appendix 3](#), which provides further policy and methodology detail on the Housing and Business Development Capacity Assessments.

Using market information to make decisions

Summary of the proposal

All local authorities with urban environments are required to use evidence and information about their land and development markets in their planning decisions. These local authorities must:

- monitor indicators of housing affordability, residential building consents versus household growth, residential prices and rents, and housing price-cost ratios
- reflect information about land and development markets in section 32 reports
- assess demand for housing and business land, and how much development capacity their plans need to provide to meet demand in the short, medium and long term.

Local authorities with a major urban centre in their jurisdiction must:

- analyse price efficiency indicators (such as rural-urban differentials, industrial zone differentials and land concentration control indicators) as these become available.

Rationale

Using evidence for good decision-making helps local authorities better understand their local housing and business markets, and the impact of their planning decisions on these markets.

Monitoring market indicators

The purpose of local authorities monitoring market indicators is to make planning more responsive to market changes – especially shocks in demand. High- and medium-growth local authorities that monitored indicators in the first two years of implementing the NPS-UDC have said it has been very useful for officers and elected members. Government agencies provide the data for every territorial authority free of charge, and we propose to extend the requirement to every urban environment.

Using information from price-efficiency indicators would be limited to major urban centres, as this is a consideration of a Housing and Business Development Capacity Assessment (HBA).

Assessing demand and supply for development capacity

Local authorities in all urban environments would be required to assess demand for housing and business land, and the development capacity required to meet this demand. This information would help them comply with policy P4A, which requires plans to enable at least enough development capacity that is feasible and likely to be taken up to meet demand. The policy recognises that for many local authorities a full HBA will not be necessary to do this in a way that reflects growth or need. Methods for doing this can be drawn from methodology for HBA development (discussed in [appendix 3](#)), existing work (which could include HBAs completed under the NPS-UDC), or through a method that is fit for purpose for the local authority.

Using market information in section 32 reports

We propose that all local authorities must demonstrate in their section 32 reports how they are using their monitoring, and their assessments of demand and supply for development capacity, in their planning decisions.

What it would look like in the NPS-UD

The following draft objective and policies are intended to be included in the NPS-UD:

Proposed objective/policy	Notes
O8: To ensure every local authority with an urban environment has a robust, comprehensive and frequently updated evidence base about its urban environments.	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately
P8A: Local authorities must use evidence and information about the land and development markets for dwellings and business land, and reflect this in their section 32 reports.	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • New policy
<p>P8B: Local authorities must monitor a range of indicators, including the following, on a quarterly basis, to ensure they are well-informed about their markets for housing and business development capacity, and urban development activity and outcomes:</p> <ol style="list-style-type: none"> a) prices and rents for housing, residential land, and business land by location and type, and changes in these over time b) the number of dwellings receiving resource or building consents relative to the growth in households c) the type and location of dwellings receiving resource or building consents d) the housing price to cost ratio e) indicators of housing affordability f) available data on business land. <p>Local authorities must publish the results of their monitoring of indicators at least annually.</p>	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • Amended NPS-UDC 2016 policy PB6
<p>P8C: Local authorities must:</p> <ol style="list-style-type: none"> a) use information from indicators of price efficiency in their land and development market as it becomes available b) analyse that information to understand how well the market is functioning and how planning may affect this, and when additional development capacity might be needed c) prepare and publish a report on the analysis. 	<ul style="list-style-type: none"> • Applies to major urban centres • Applies immediately • Amended NPS-UDC 2016 policy PB7

Proposed objective/policy	Notes
P8D: Local authorities must assess demand for housing and business land, and the development capacity required to meet that demand in the short, medium and long term.	<ul style="list-style-type: none"> • Applies to all urban environments • Applies in time to inform major plan changes • New policy

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?

Preparing a Housing and Business Development Capacity Assessment (HBA)

Summary of the proposal

The existing NPS-UDC has a requirement for high- and medium-growth urban areas to prepare an HBA. The proposals build on these policies to clarify intent, and to separate what the HBA needs to do from the methods for doing it. The NPS-UD proposes that only major urban centres should prepare an HBA.

The proposals and approaches to methodologies for assessing development capacity (as discussed in detail in [appendix 3: Policies for Housing and Business Development Capacity Assessments](#)) have been developed with a technical working group made up of local and central government experts.

Appendix 3 should be read alongside the ‘[Evidence for good decision-making](#)’ proposals above that apply to all urban environments.

7 Engagement on urban planning

This part of the NPS-UD sets out who local authorities should be working with in their urban planning processes, and what that engagement should look like. The engagement discussed in this section will be relevant for decision-making in all the other parts of the National Policy Statement on Urban Development (NPS-UD).

Taking into account issues of concern to iwi and hapū

Summary of the proposal

The Government intends to include objectives and policies in the NPS-UD to ensure urban development takes into account the issues of concern to iwi and hapū. The proposals require local authorities to:

- provide iwi and hapū with opportunities to identify urban resource management issues of concern
- indicate how policy statements and plans have addressed or will address the issues.

The RMA requires local authorities to take into account any relevant planning document recognised by an iwi authority when preparing policy statements and plans. The NPS-UD extends these requirements to future development strategies (FDSs), as set out in the [‘Future Development Strategy’](#) section.

Local authorities would also provide hapū and whānau with opportunities to identify their aspirations for urban development on whenua Māori, and then take these into account when preparing policy statements, plans and FDSs.

Rationale

We have heard through initial engagement with Māori technical design and planning experts that we need to work towards a culturally sound urban development system. The core elements would include:

- recognising and providing for the principles of Te Tiriti o Waitangi
- Rangatiratanga finds expression through meaningful engagement with local tangata whenua; Māori values are anchored in decision-making criteria
- working with, and within the environment
- placing whānau well-being at the heart of urban development
- having flexibility to allow Māori (from wherever they come from in Aotearoa) to be Māori in their own places and spaces.

We aimed to take these elements into account by emphasising the existing obligations on local authorities under the RMA to consult iwi and hapū and extending these to consultation requirements to apply to FDSs.

The proposed NPS-UD also recognises that hapū and whānau aspirations for the use of their land can be unduly hindered by local government regulation. The proposal requires local

authorities to take hapū and whānau aspirations for whenua Māori into account when preparing policies, plans and strategies. We anticipate that this requirement will encourage the use of Māori purpose zones (provided for in the National Planning Standards) and lead to the removal of plan provisions that privilege private over shared space and limit developments such as papakainga. Certain policies in the proposed NPS-UD also align with objectives identified in iwi environmental management plans lodged with local authorities in major urban centres. These objectives relate to taking a strategic approach to planning, and integrating infrastructure and land use planning ('Future Development Strategy'), protecting sites of cultural significance and providing high quality open spaces in urban areas ('describing quality urban environments'), and restricting low density urban sprawl ('providing for intensification').

However, NPS-UD is only part of the solution and changes to legislation and other national policy will be needed if we are to truly achieve a culturally sound urban development system. The Government recognises that the RMA is underperforming in a number of areas including on engagement with Māori and has started a review of the Act. The review will recommend ways that the system can recognise Māori interests and deliver better outcomes for our built and natural environments. It will be mindful of current challenges, and of those that we can expect from new technology and a changing climate. More information on the review can be found at: www.mfe.govt.nz/rma/improving-our-resource-management-system.

Interaction with Mana Whakahono ā Rohe and other iwi participation legislation

In 2017, amendments to the RMA introduced Mana Whakahono ā Rohe, a tool for tangata whenua and local authorities to discuss and agree on how to work together under the RMA. The aim is to enhance Māori participation in RMA resource management and decision-making, and create opportunities for meaningful dialogue about their vision for an area. A Mana Whakahono arrangement is likely to be useful in implementing the NPS-UD.

The proposals set out here do not limit new or existing Mana Whakahono ā Rohe arrangements, nor any relevant provisions of any iwi participation legislation or any agreement under that legislation.

Discretion in participation

The proposed policies give iwi and hapū the discretion to engage with local authorities. Iwi and hapū can decide whether they wish to participate in a local authority's processes. The proposal does not prescribe the nature of this engagement. This recognises that local authorities may already have processes and relationships with iwi and hapū, such as Mana Whakahono ā Rohe.

Consultation with iwi, hapū and urban Māori authorities

The Crown acknowledges the special relationship that tangata whenua have with the environment, expressed through whakapapa, pūrākau, whakataukī, pepeha, waiata and many other ways.

The primary connection of tangata whenua is to land over which they hold mana whenua. However, urban Māori include both tangata whenua and Māori who do not hold mana whenua over the urban environment where they live. Most Māori living in Aotearoa's cities do not whakapapa to the area where they now live.

We think it is important that local authorities provide opportunities for Māori to be involved in decisions that shape their urban environment. We would like to hear from submitters on how we could provide direction to local authorities to engage with Māori who do not hold mana whenua over the urban environment in which they now live.

What it would look like in the NPS-UD

The following draft objectives and policies indicate how this could be reflected in the NPS-UD:

Proposed objective/policy	Notes
O9: Urban development occurs in a way that takes into account resource management issues of concern to iwi and hapū.	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • New objective
<p>P9A: When preparing a proposed policy statement, plan or strategy that affects how development capacity is provided for in urban environments every local authority must:</p> <p>a) provide iwi and hapū with opportunities to identify the resource management issues of concern to them relating to urban environments; and</p> <p>b) indicate how those issues have been or will be addressed in the proposed policy statement, plan or strategy.</p>	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • New policy
<p>P9B: When preparing a proposed policy statement, plan or strategy that affects how development capacity is provided for in urban environments every local authority must:</p> <p>a) provide hapū and whānau with opportunities to identify their aspirations for urban development on whenua Māori within their rohe</p> <p>b) take into account their aspirations for urban development on whenua Māori within their rohe.</p>	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • New policy

There are also policies in the ‘[coordinated planning](#)’ section that relate to engagement with iwi and hapū.

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?
- Do you think the proposals are an appropriate way to ensure urban development occurs in a way that takes into account iwi and hapū concerns?
 - How do you think local authorities should be directed to engage with Māori who do not hold mana whenua over the urban environment in which they now live?
 - What impacts do you think the proposed NPS-UD will have on iwi, hapū and Māori?

Coordinated planning

Encouraging coordination and collaboration is a common theme across the whole NPS-UD. We propose expanding on the existing provisions in the NPS-UDC 2016 on “coordinated and aligned planning decisions within and across local authority boundaries” to:

- make it more explicit that planning decisions should be coordinated and aligned with infrastructure decisions
- encourage local authorities to cooperate on principles and practices for partnering with iwi and hapū.

Rationale

Infrastructure providers

The NPS-UDC 2016 includes an objective of “coordinated and aligned planning decisions within and across local authority boundaries”. We propose to extend this to also cover “providers of infrastructure” to recognise the importance of engaging with this group in planning. This supports the NPS-UDC 2016 policy requiring local authorities to work with them in implementing policies to ensure sufficient development capacity.

Iwi and hapū

The ability of iwi and hapū to be involved in local authority planning can vary. Many find they are approached to engage constantly on a number of different issues. Also, as rohe boundaries are not confined within territorial boundaries, multiple authorities can approach iwi and hapū on similar issues. This can lead to stress and frustration.

The NPS-UDC 2016 already includes policies encouraging collaboration between local authorities that share jurisdiction over an urban area. The proposed change would expand this to include principles and practices for partnering with iwi and hapū as one of the things they are encouraged to collaborate on. This policy does not intend to override any existing consultation arrangements or agreements iwi and hapū have with councils.

The policy on local authorities agreeing on practices and principles for consulting iwi and hapū aims to:

- ensure better engagement with iwi and hapū
- improve consistency across local authority practices and approaches to engaging with iwi and hapū
- avoid hui/consultation fatigue for iwi and hapū
- support local authorities to share learning and best practice.

What it would look like in the NPS-UD

The following draft objectives and policies indicate how this could be reflected in the NPS-UD:

Proposed objective/policy	Notes
O10: To ensure decisions within local authorities and across local authority boundaries are coordinated and aligned with the provision of development and other infrastructure.	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • Amended NPS-UDC 2016 objective OD2
P10A: Local authorities that share jurisdiction over an urban environment are strongly encouraged to work together to implement this NPS, having particular regard to cooperate and agree on: <ol style="list-style-type: none"> a) the provision and location of feasible development capacity required by it; and b) principles and practices for partnering with iwi and hapū. 	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • Amended NPS-UDC 2016 policy PD1(b)
P10B: Local authorities must work with providers of development and other infrastructure to <ol style="list-style-type: none"> a) achieve integrated land use and infrastructure planning b) implement policies P4A and P4C. 	<ul style="list-style-type: none"> • Applies to all urban environments • Applies immediately • Amended NPS-UDC 2016 policy PD2
P10C: Local authorities that share jurisdiction over a major urban centre are strongly encouraged to collaborate and cooperate to agree on: <ol style="list-style-type: none"> a) the preparation or review and content of a joint HBA b) the specification and review of the bottom lines required under this NPS c) the development or review of a joint FDS. 	<ul style="list-style-type: none"> • Applies to major urban centres • Applies immediately • Amended NPS-UDC 2016 policy PD3

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?

8 Timing

Summary of the proposal

The NPS-UD would come into effect when it is gazetted. Local authorities would need to give effect to the new NPS through their regional policy statements, regional plans or district plans as soon as practicable.

Certain policies in the NPS-UD would have more specific timeframes, set out in [table 4](#).

Table 4: Summary of timing requirements under the NPS-UD

Time	Requirements
Immediately from date of gazettal	<ul style="list-style-type: none">• All objectives in the NPS-UD apply• Policies on quality urban environments, amenity, enabling opportunities for development, ensuring plan content provides for expected levels of development, issues of concern to iwi and hapū, and coordinated planning apply• Direct insertion of policy P6B into regional policy statements and policy P6D into district plans
Quarterly	<ul style="list-style-type: none">• Monitor housing indicators
Within 18 months of gazettal	<ul style="list-style-type: none">• Policies on providing for intensive development apply• Policies on removing car parking minimums apply
Every 3 years	<ul style="list-style-type: none">• HBA policies must be undertaken in time to inform the FDS• Policies on setting bottom lines apply (within 1 year of HBA being completed)• Draft FDS in time to inform the long-term plan under the LGA

Timing of HBAs and FDS

The NPS-UDC 2016 aims to encourage integrated land use and infrastructure planning. It does so by requiring that HBAs and FDSs be informed by long-term plans and infrastructure plans prepared under the Local Government Act 2002 (LGA).

However, the rigid timeframes for completing the first round of HBAs and FDSs did not align with LGA planning cycles. This made integrated planning difficult.

It is likely the timeframes also contributed to local authorities outsourcing work on HBAs and FDSs, rather than developing their own capability and capacity.

The NPS-UD proposes more flexible timing and a sharper focus on integrated planning and improved capability. It strongly encourages local authorities to use their HBAs and FDSs to inform long-term plans and infrastructure strategies under the LGA. More flexible timeframes also help them schedule the NPS-UD requirements to inform LGA planning processes according to their capability and capacity.

Timing of intensification policies

The NPS-UD will introduce new direction on where intensification must be enabled. The most directive policies will be implemented through district plan changes in major urban centres. We propose an 18-month timeframe from the gazettal of the NPS UD to notify these intensification plan changes. We are aware local authorities are required to implement other national direction, including the national planning standards. Therefore, we are seeking feedback on whether 18 months for notification is practicable, and how this would work with planning timeframes in major urban centres.

Figure 2 shows how the proposed timeframes align with the National Planning Standard implementation requirements for district plans in major urban centres. As per the Implementation Standard, local authorities must either amend their plans or notify their proposed district plan within five, seven or 10 years of 5 April 2019.

Figure 2: Timeframes for implementing NPS-UD intensification policies and planning standards

		Timeframes									
	2020	2021	2022	2023	2024	2025	2025	2027	2028	2029	
Hamilton, Tauranga, Wellington	NPS UD gazettal estimated early 2020	Intensification plan changes notified within 18 months			Planning Standards Implemented						
Christchurch, Queenstown							Planning Standards implemented				
Auckland											Planning Standards Implemented

Question

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

9 Guidance and implementation support

A modern, fit-for-purpose urban planning system that can help our cities improve their performance for current and future generations requires a change in planning practice and culture. The proposed NPS-UD would include a comprehensive programme to work with and support local authorities to give effect to it.

Lessons learnt from implementing the NPS-UDC 2016 reinforce the importance of support, and the new NPS-UD would be able to build on what has already been done. An implementation programme would likely consist of guidance documents, technical support, and ongoing face-to-face support and engagement with local authorities.

Question

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

10 Alignment with other national direction under the RMA

The Government is intending to consult on a range of national direction instruments in 2019, including:

- a proposed National Policy Statement for Highly Productive Land (NPS-HPL)
- amendments to the National Policy Statement for Freshwater Management (NPS-FM) and an accompanying proposed National Environmental Standards for Freshwater
- a proposed National Policy Statement for Indigenous Biodiversity (NPS-IB)
- amendments to the National Environmental Standards for Air Quality.

These national direction instruments are intended to be compatible and to enable good decision-making that provides for New Zealand's environmental, social, cultural and economic well-being.

There are also several different existing national policy statements covering various matters of national significance (including freshwater, and renewable energy generation), as well as the New Zealand Coastal Policy Statement (NZCPS). Local authorities are required to give effect to all NPSs and the NZCPS through planning documents, and must consider any relevant NPS when making decisions on resource consents. They should consider interactions between NPSs when undertaking these functions.

At a local level there will always be some trade-offs. Different environmental priorities will need to be resolved in district and regional plans, and this will still be the case even with consistent and well-integrated national direction.

The sections below outline some of the areas where the NPS-UD is likely to interact with other national direction (either proposed or existing). These proposals are also taking place alongside other initiatives including the Three Waters Review, the inquiry into local government funding, and work already under way to improve freshwater quality, and climate change mitigation and resilience.

Proposed NPS for Highly Productive Land

The Government is currently consulting on a proposed National Policy Statement for Highly Productive Land (NPS-HPL). The aim is to improve the way highly productive land is managed under the RMA to:

- recognise the full range of values and benefits associated with the use of highly productive land for primary production
- maintain the availability of highly productive land for primary production for future generations
- protect highly productive land from inappropriate subdivision, use and development.

The proposed NPS-HPL does not intend the absolute protection of highly productive land, or that there should be no net loss of such land in a region or district. Rather, the aim is to require

local authorities to consider the value of this resource in their region or district both now and in the future.

The direction in the NPS-HPL and the NPS-UD should be complementary, as both require local authorities to identify areas where urban development may not be appropriate. The NPS-HPL will require local authorities to identify highly productive land where urban development, and other non-primary production activities, should be avoided.

Similarly, the NPS-UD will require local authorities to use their FDSs to identify areas where urban development may not be appropriate in the future (see [‘Future Development Strategy’](#)). The Government considers that this will help local authorities to identify no-go areas through their FDSs, while allowing for new urban areas on highly productive land in appropriate circumstances.

The NPS-UD’s increased focus on higher-density development both in existing areas and in future urban areas complements the NPS-HPL, as it will help to alleviate pressure for outward development onto the highly productive land resource.

Proposed National Policy Statement and National Environmental Standards for Freshwater

Urban water bodies are highly valued ecosystems that can provide refuge to some of our most threatened species. Increased connections to urban waterbodies can also provide benefits to communities’ well-being. Unfortunately, waterbodies dominated by urban land uses are some of New Zealand’s most degraded.

The Government is intending to consult on national direction for freshwater management, including proposed amendments to the National Policy Statement for Freshwater Management (NPS-FM) and proposed National Environmental Standards for Freshwater. These broaden the focus of the amendments to the NPS-FM to all aspects of freshwater ecosystem health, in urban and rural environments.

Protecting urban freshwater ecosystems and providing for urban development requires local authorities to balance competing priorities. This is an inherent part of environmental management, and will need to be managed by local authorities at a local level. Still, it is important that the national direction on both freshwater and urban development is well aligned, to give clarity to local authorities on how to balance these matters in urban planning. To do this:

- the FDS proposal in the NPS-UD provides a mechanism for local authorities to identify areas where development may not be appropriate because of the likely effects on highly valued freshwater environments
- direction in the proposed NPS-FM and proposed NES is intended to recognise the importance of urban streams and encourage urban design that protects them, while also recognising that in some cases piping and reclamation may be unavoidable when providing for urban growth
- direction in the proposed NPS-FM is intended to help ensure decisions about managing freshwater in urban environments can be made in an integrated way as part of wider decisions about urban form.

Proposed National Policy Statement for Indigenous Biodiversity

The Government is intending to consult on a proposed National Policy Statement for Indigenous Biodiversity (NPS-IB).

Although there could be tension at a site level between the priorities of urban development (in particular higher-density schemes) and indigenous biodiversity, the anticipated proposed NPS-IB and NPS-UD both encourage biodiversity in open space in the urban environment, and identify no-go areas with high biodiversity.

The NPS-UD describes access to open space as one of the features of a quality urban environment that local authorities must provide for. The anticipated proposed NPS-IB encourages restoration of indigenous vegetation in urban areas, and providing indigenous vegetation in public open spaces is likely to be a large part of meeting these targets.

The NPS-UD also aims to ensure urban development can enhance amenity to meet changing demands and preferences, and to help local authorities give greater weight to the types of amenity that benefit the whole community. Encouraging indigenous biodiversity is one way to do this.

The proposed NPS-IB and NPS-UD both identify areas where development should not occur because of the effects on biodiversity: the NPS-IB requires local authorities to identify Significant Natural Areas (SNAs) that should be protected due to their high biodiversity, and the FDS proposal in the NPS-UD is a way for local authorities to identify areas where urban development may not be appropriate.

National Environmental Standards for Air Quality

Urban development is closely linked with managing air quality, as most discharges to air occur in urban environments where most New Zealanders live (see [Figure 3](#)).

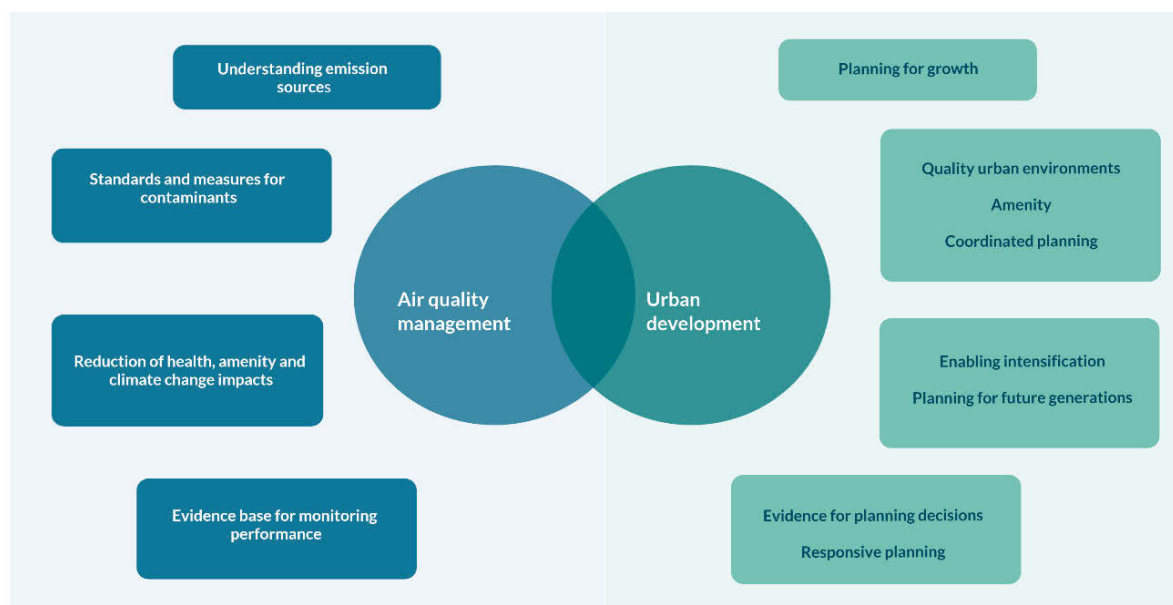
Strategic planning that considers current use and future development can influence the:

- community's level of exposure to air pollution, particularly for vulnerable groups (eg, children and the elderly)
- type of contaminants communities are exposed to because of land-use decisions in urban environments (eg, zoning decisions).

Air quality management measures work in conjunction with the planning framework. It sets baseline thresholds for discharges to air and reducing air emissions, through both regulatory and non-regulatory approaches.

The particulate matter-related provisions of the National Environmental Standards for Air Quality are being reviewed to align with the latest scientific findings on the health impacts of air quality. We intend to publicly consult on proposed amendments in the second half of 2019.

Figure 3: The relationship between air quality management and urban planning



New Zealand Coastal Policy Statement

The NZCPS 2010 provides direction to local authorities in their day-to-day management of the coastal environment. It includes policies on the identification of coastal hazards, natural defences against coastal hazards, subdivision use and development in coastal areas, and strategies for protecting existing development from coastal hazard risk.

When considering providing for urban development in coastal areas, local authorities will need to balance this with the need to address coastal hazards. The NZCPS will help local authorities identify areas where development should be avoided (as required by the FDS proposals) while allowing for new urban areas in appropriate circumstances.

National Planning Standards

The national planning standards are a relatively new tool. Two key purposes are to:

- require national consistency across resource management plans
- support the implementation of national policy statements, national environmental standards or other regulations made under the RMA.

The first set of national planning standards, gazetted in April 2019, focused on the core elements of plans' structure and format, along with standardising common definitions and improving the electronic accessibility of plans. With these foundation standards in place, we expect it will be easier for any future planning standards to support the consistent implementation of other national direction in plans.

Question

- 17 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.
- 18 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.

11 Consultation process

Timeframes and next steps

This consultation starts on 21 August and ends at 5pm on Thursday, 10 October 2019.

Process following consultation

The feedback from this consultation will inform the Government's final decisions about the proposed National Policy Statement on Urban Development (NPS-UD).

In accordance with the requirements of section 46A of the RMA the Minister has decided on using the 'alternative process' process for preparing this national direction. After the consultation period has ended:

- officials will prepare a report that summarises the submissions and recommends changes in response
- the report and recommendations will be presented to an independent technical advisory panel to review
- officials will then seek agreement from Ministers to make the recommended changes, and to approve the proposed NPS-UD.

If Ministerial and Cabinet approval is given, the proposed NPS-UD is likely to take effect during the first quarter of 2020.

How to make a submission

The Government welcomes your feedback on this consultation document. The questions throughout the document and repeated below are a guide only. You do not have to answer all the questions, and all comments are welcome.

To ensure others clearly understand your point of view, you should explain the reasons for your views and give supporting evidence if needed.

You can make a submission in two ways.

1. Use our online submission tool, available at www.mfe.govt.nz/consultations/nps-urbandevelopment

This is our preferred way to receive submissions.

2. Write your own submission.

If you are posting your submission, send it to: National Policy Statement on Urban Development Consultation, Ministry for the Environment, PO Box 10362, Wellington 6143.

Include:

- the title of the consultation: "Proposed National Policy Statement on Urban Development"
- your name or organisation
- your postal address

- your telephone number
- your email address.

If you are emailing your submission, send it to **npsurbandevelopment@mfe.govt.nz** as a:

- PDF, or
- Microsoft Word document (2003 or later version).

Submissions close at 5pm on Thursday, 10 October 2019.

For more information

Please direct any queries to:

Email: npsurbandevelopment@mfe.govt.nz

Postal: Ministry for the Environment, PO Box 10362, Wellington 6143

Publishing and releasing submissions

All or part of any written submission (including names of submitters) may be published on the Ministry for the Environment's website, www.mfe.govt.nz. Unless you clearly specify otherwise in your submission, the Ministry will consider that you have agreed to have your submission and your name posted on its website.

Contents of submissions may be released to the public under the Official Information Act 1982, if requested. Please let us know if you do not want some or all of your submission released, stating which part(s) you consider should be withheld and the reason(s) for withholding the information.

Under the Privacy Act 1993, people have access to information held by agencies about them. Any personal information you send to the Ministry with your submission will only be used in relation to matters covered by this document. In your submission, please indicate if you prefer we do not include your name in the published summary of submissions.

Consultation questions

The box below sets out the full list of questions in this document.

Questions

- 1 Do you support a National Policy Statement on Urban Development that aims to deliver quality urban environments and make room for growth? Why/Why not?
 - Are there other tools under the RMA, other legislation or non-statutory tools that would be more effective in achieving a quality urban environment and making room for growth?
- 2 Do you support the approach of targeting the most directive policies to our largest and fastest growing urban environments? Why/why not?
 - Do you support the approach used to determine which local authorities are categorised as major urban centres? Why/why not?
 - Can you suggest any alternative approaches for targeting the policies in the NPS-UD?
- 3 Do you support the proposed changes to future development strategies (FDSs) overall? If not, what would you suggest doing differently?
 - Do you support the approach of only requiring major urban centres to undertake an FDS? Would there be benefits of requiring other local authorities to undertake a strategic planning process?
 - What impact will the proposed timing of the FDS have on statutory and other planning processes? In what way could the timing be improved?
- 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?
 - Do you support the features of a quality urban environment stated in draft objective O2? Why/why not?
 - What impacts do you think the draft objectives O2–O3 and policies P2A–P2B will have on your decision-making?
- 5 Do you support the inclusion of proposals to clarify that amenity values are diverse and change over time? Why/why not?
 - Do you think these proposals will help to address the use of amenity to protect the *status quo*?
 - Can you identify any negative consequences that might result from the proposed objective and policies on amenity?
 - Can you suggest alternative ways to address urban amenity through a national policy statement?
- 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?
- 7 Do you support proposals requiring objectives, policies, rules, and assessment criteria to enable the development anticipated by the zone description? Why/why not?
 - Do you think requiring zone descriptions in district plans will be useful in planning documents for articulating what outcomes communities can expect for their urban environment? Why/why not?
 - Do you think that amenity values should be articulated in this zone description? Why/why not?

- 8 Do you support policies to enable intensification in the locations where its benefits can best be achieved? Why/why not?
 - What impact will these policies have on achieving higher densities in urban environments?
 - What option/s do you prefer for prescribing locations for intensification in major urban centres? Why?
 - If a prescriptive requirement is used, how should the density requirements be stated? (For example, 80 dwellings per hectare or a minimum floor area per hectare).
 - What impact will directly inserting the policy to support intensification in particular locations through consenting decisions have?
- 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?
 - How could the example policy better enable quality urban development in greenfield areas?
 - Are the criteria in the example policy sufficiently robust to manage environmental effects ensure a quality urban environment, while providing for this type of development?
 - To what extent should developers be required to meet the costs of development, including the costs of infrastructure and wider impacts on network infrastructure, and environmental and social costs (recognising that these are likely to be passed onto future homeowners and beneficiaries of the development)? What impact will this have on the uptake of development opportunities?
 - What improvements could be made to this policy to make development more responsive to demand in suitable locations beyond areas already identified for urban development?
- 10 Do you support limiting the ability for local authorities in major urban centres to regulate the number of car parks required for development? Why/why not?
 - Which proposed option could best contribute to achieve quality urban environments?
 - What would be the impact of removing minimums in just high- and medium-density, commercial, residential and mixed-used areas, compared with all areas of a major urban centre?
 - How would the 18-month implementation timeframe impact on your planning processes?
 - What support should be considered to assist local authorities when removing the requirement to provide car parking to ensure the ongoing management of car parking resources?
- 11 Do you think that central government should consider more directive intervention in local authority plans?
 - Which rules (or types of rules) are unnecessarily constraining urban development?
 - Can you identify provisions that are enabling higher-density urban development in local authority plans that could be provided for either nationally or in particular zones or areas?
 - Should a minimum level of development for an individual site be provided for across urban areas (for example, up to three storeys of development is a permitted activity across all zones)?

- Given the potential interactions with the range of rules that may exist within any given zone, how could the intent of more directive approaches be achieved?
- 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?
- 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?
 - Do you think the proposals are an appropriate way to ensure urban development occurs in a way that takes into account iwi and hapū concerns?
 - How do you think local authorities should be directed to engage with Māori who do not hold mana whenua over the urban environment in which they now live?
 - What impacts do you think the proposed NPS-UD will have on iwi, hapū and Māori?
- 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?
- 15 What impact will the proposed timing for implementation of policies have?
- 16 What kind of guidance or support do you think would help with the successful implementation of the proposed NPS-UD?
- 17 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.
- 18 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.

Questions from Appendix 3

- A1. Do you support the changes to the HBA policies overall? Are there specific proposals you do or do not support? What changes would you suggest?
- A2. What do you anticipate the impact of the proposed policies (and any related changes) would be on planning and urban outcomes?
- A3. Are the margins proposed in policies AP3 and AP12 appropriate? If not, what should you base alternative margins on? (eg, using different margins based on higher or lower rural-urban price differentials).
- A4. How could these policies place a greater emphasis on ensuring enough development capacity at affordable prices?
- A5. Do you support the approach of targeting the HBA requirements only to major urban centres? Why/why not?

Appendix 1: Incorporation of existing NPS–UDC 2016 objectives and policies into the NPS-UD

	National Policy Statement on Urban Development Capacity	National Policy Statement on Urban Development
Group A: Outcomes for planning decisions	OA1	O2
	OA2	O5
	OA3	O4
	PA1	P4A
	PA2	P4C
	PA3	P2A
	PA4	P2B
Group B: Evidence and monitoring to support planning decisions	OB1	O9
	PB1 – PB5	See appendix 3
	PB6	P8B
	PB7	P8C
Group C: Responsive planning	OC 1	Removed
	OC2	O6
	PC1	See appendix 3
	PC2	
	PC3	P4G
	PC4	P6A
	Minimum targets: PC5–PC 11	P4D–P4F
	Future Development Strategy: PC12–PC14	P1A, P1C, P1F
Group D: Coordinated planning evidence and decision-making	OD1	O1
	OD2	O10
	PD1	P10A
	PD2	P10B
	PD3	P10C
	PD4	P10B

Appendix 2: Definitions and acronyms

Definitions and acronyms proposed for the NPS-UD

Definition/acronym	Existing, amended or new definition
Act means the Resource Management Act 1991.	Existing
<p>Business land means land that is zoned for business uses in urban environments, including but not limited to land in the following examples of zones:</p> <ul style="list-style-type: none"> • industrial • commercial • retail • business and business parks • centres (to the extent that this zone allows business uses) • mixed use (to the extent that this zone allows business uses). 	Existing
Consent decisions means decisions made on resource consent applications.	New
<p>Development capacity means in relation to housing and business land, the capacity of land intended for urban development based on:</p> <ol style="list-style-type: none"> the zoning, objectives, policies, rules and overlays that apply to the land, in the relevant proposed and operative regional policy statements, regional plans and district plans the provision of adequate development infrastructure to support the development of the land. 	Existing
Development infrastructure means network infrastructure for water supply, wastewater, stormwater and land transport as defined in the Land Transport Management Act 2003, to the extent that it is controlled by local authorities.	Existing
FDS means Future Development Strategy.	New
Feasible means development is commercially viable in terms of the developer's costs and revenue. Feasibility has a corresponding meaning.	Amended
HBA means Housing and Business Development Capacity Assessment.	New
Local authority has the same meaning as in section 2 of the Resource Management Act 1991.	Existing
Long term means between 10 and 30 years.	Existing
Medium term means between 3 and 10 years.	Existing

Definition/acronym	Existing, amended or new definition
<p>Other infrastructure means:</p> <ul style="list-style-type: none"> (a) public open space (b) community infrastructure as defined in the Local Government Act 2002 (c) land transport as defined in the Land Transport Management Act 2003, that is not controlled by local authorities (d) social infrastructure such as schools and healthcare (e) telecommunications as defined in the Telecommunications Act 2001 (f) energy (g) other infrastructure not controlled by local authorities. 	Existing, but with amendments to (a)
<p>Planning decisions means decisions made about the content of policies, plans or strategies under the Resource Management Act 1991.</p>	Existing, but amended to remove decisions relating to consenting
<p>Short term means within the next 3 years.</p>	Existing
<p>Urban environment means an area of land containing, or intended to contain, a concentrated settlement of 10,000 people or more and any associated business land, irrespective of local authority or statistical boundaries.</p>	Existing
<p>Whenua Māori means Māori land as defined in Te Ture Whenua Māori Act 1993.</p>	New

Existing NPS-UDC 2016 definitions not in the proposed NPS-UD

Definition	Rationale for removing
<p>Demand means:</p> <p>In relation to housing, the demand for dwellings in an urban environment in the short, medium and long term, including:</p> <ul style="list-style-type: none"> (a) the total number of dwellings required to meet projected household growth and projected visitor accommodation growth (b) demand for different types of dwellings (c) the demand for different locations within the urban environment (d) the demand for different price points recognising that people will trade off (b), (c) and (d) to meet their own needs and preferences. <p>In relation to business land, the demand for floor area and lot size in an urban environment in the short, medium and long term, including:</p> <ul style="list-style-type: none"> (a) the quantum of floor area to meet forecast growth of different business activities (b) the demands of land extensive and intensive activities (c) the demands of different types of business activities for different locations within the urban environment. 	<p>Demand carries its ordinary English meaning in the NPS-UD. The description of the specific components of demand intended to be used under the NPS-UD are included in the policies themselves.</p>

Definition	Rationale for removing
<p>High-growth urban area means any urban area (as defined by Statistics New Zealand in 2016) that:</p> <p>(a) has either:</p> <p>a resident population of over 30,000 people according to the most recent Statistics New Zealand urban area resident population estimates; or</p> <p>at any point in the year a combined resident population and visitor population of over 30,000 people, using the most recent Statistics New Zealand urban area resident population estimates and</p> <p>(b) in which the resident population of that urban area is projected to grow by more than 10% between 2013 to 2023, according to the most recent Statistics New Zealand medium urban area population projections for 2013 (base)–2023.</p> <p>Note that the definition of high-growth urban area is a transitional definition, and will be reviewed and amended no later than 31 December 2018.</p>	<p>The terms are no longer needed as a new mechanism for targeting policies to councils is proposed.</p>
<p>Medium-growth urban area means any urban area (as defined by Statistics New Zealand in 2016) that:</p> <p>(a) has a resident population of over 30,000 people according to the most recent Statistics New Zealand urban area resident population estimates; and</p> <p>(b) in which the resident population of that urban area is projected to grow by between 5% and 10% between 2013 to 2023, according to the most recent Statistics New Zealand medium-urban area population projections for 2013 (base)–2023.</p> <p>Note that the definition of medium-growth urban area is a transitional definition, and will be reviewed and amended no later than 31 December 2018.</p>	
<p>Sufficient means the provision of enough development capacity to meet housing and business demand, and which reflects the demands for different types and locations of development capacity and sufficiency has a corresponding meaning.</p>	<p>The term is no longer used in the NPS-UD.</p>

Appendix 3: Policies on Housing and Business Development Capacity Assessments

Purpose

The Government is consulting on proposals for a National Policy Statement on Urban Development (NPS-UD) under the Resource Management Act 1991.

The NPS-UD is part of the Government's response to the wide range of problems we are currently seeing in housing and urban development:

- severe housing unaffordability
- falling home ownership
- increased hardship and homelessness
- increased household debt
- intergenerational inequality
- congestion
- poor transport choice
- urban pollution.

The NPS-UD is designed to improve urban planning so our cities can respond to growth pressures and deliver what people and communities need now and in the future. This will require changing the way urban planning interacts with urban markets to respond to growth.

This appendix sets out policy proposals that would require local authorities in major urban centres to prepare Housing and Business Development Capacity Assessments (HBAs).

HBAs are an important part of the evidence base to inform planning required by a range of other policies in the NPS-UD, including proposed requirements to:

- enable opportunities for development and to set bottom lines for housing development capacity (see proposed policies P4A-P4G)
- produce future development strategies (P1A-P1I).

This appendix should be read alongside the full range of proposals for the NPS-UD.

Summary of the proposals

HBAs are already a requirement under the National Policy Statement on Urban Development Capacity 2016 (NPS-UDC). The proposals would build on and replace the existing NPS-UDC requirements. They have been developed based on local authorities' experiences and feedback received from the initial round of HBAs produced between 2017 and 2019.

The Government proposes to amend the existing requirements in the current NPS-UDC for local authorities in high- and medium-growth urban areas to produce an HBA. The main changes include:

- only requiring local authorities in major urban centres to prepare a full HBA
- requiring HBAs to be updated in time to inform future development strategies (FDSs), long-term plans and infrastructure strategies prepared under the Local Government Act 2002
- a new requirement that HBAs include scenarios for demand for housing and business land, and compare these scenarios to capacity
- clarification of what to include in estimates of development capacity that is feasible and likely to be taken up in the short, medium and long term. These changes:
 - include development infrastructure funded or financed by a third party
 - require the assessment of long-term feasibility of development capacity to be based, as a starting point, on the current relationship between costs and revenues
 - strengthen requirements to assess and factor in take up⁹ of development capacity
- a requirement that HBAs use price efficiency indicators to analyse how plans may affect the overall supply and price of dwellings
- a slightly different approach to assessing whether there is enough development capacity for dwellings by type, location and price point
- clarification of the requirements to assess business land.

Rationale

Under the NPS-UDC, local authorities in high-growth and medium-growth urban areas are required to prepare an HBA every three years.

The primary objective of HBAs is to require local authorities to develop and maintain a robust evidence base to inform their planning decisions. They provide information about how much feasible development capacity plans should enable, analyse how well demands for housing and business land are being met, and provide the basis for future development strategies and minimum targets for housing. They are intended to improve local authorities' understanding and use of this evidence.

Local authorities completed the first round of HBAs between 2017 and 2019. These significantly improved information about local urban markets for housing and business land. Local authority officers told us that the information is useful and being used for planning decisions. However, local authorities and central government have also identified a range of concerns with the existing HBA policies and practice.

⁹ 'Take up' refers to the development that actually occurs. It is a sub-set of the capacity that is enabled in plans, serviced by infrastructure and is commercially feasible to develop – as not all possible development will actually occur, for a variety of reasons.

The changes proposed here are intended to address these concerns and make future HBAs more fit for purpose. They have been informed by technical input from local authorities, and draw on some innovative approaches taken by local authorities during the first round of HBAs.

Reducing unnecessary cost and complexity

Local authorities identified high costs associated with meeting the detailed policy requirements and methods recommended in the supporting guidance.¹⁰ To meet specified deadlines and in the absence of internal capabilities, many local authorities used external consultants to do some of the work.

Some of the costs were incurred through setting up models, data and processes, and will not need to be repeated. This initial investment should yield benefits, for example where councils can use feasibility models to test alternative planning options.

The proposed policies seek to recognise this initial investment but reduce future costs and complexity for councils by:

- only requiring local authorities in major urban centres to prepare full HBAs. Other local authorities would be required to assess demand and development capacity (see proposed policy P8D) but would have the flexibility to scale their approach appropriately to the size and complexity of their housing and business markets
- allowing local authorities to update, rather than prepare, full HBAs on a three-yearly basis, and allowing more flexibility on deadlines
- being less prescriptive – allowing greater flexibility about how councils meet requirements
- improving clarity about what is required.

Assessing enough capacity for an uncertain future

Most of the high-growth urban area HBAs estimated that current plans provide sufficient feasible capacity to meet projected demand for housing at least in the short and medium term. While these assessments generally met the current NPS-UDC requirements and provided robust evidence, some additional information – beyond what was required in the NPS-UDC – would have been useful to provide a fuller picture, for example by:

- using more than one projection of demand and sensitivity testing the sufficiency of capacity if demand is higher than expected
- more explicitly considering the impacts of increased capacity on housing affordability.

Many HBAs estimated insufficient feasible capacity in long term. However, some councils and consultants have been critical about the requirement to use current costs and revenues to assess feasibility in the long term, given the significant uncertainties over this 30-year timeframe.

¹⁰ See for example, Local Government New Zealand's 2019 report: *The National Policy Statement on Urban Development Capacity: An analysis of issues identified by councils giving effect to the National Policy Statement on Urban Development Capacity*.

The NPS-UD proposes to address these issues by:

- requiring HBAs to **provide scenarios for demand** and compare development capacity to these scenarios
- requiring HBAs to **add margins on top of demand** (20 per cent in the short and medium term and 15 per cent in the long term) to ensure plenty of capacity and that there is enough capacity in land and development markets for them to function competitively. This differs from the NPS-UDC by clarifying the purpose of the margins and separating this out from requirements to assess take up
- re-defining **long-term feasibility** as based, *as a starting point*, on the current *relationship between* costs and revenues, but beyond this allowing for local authorities to use various different approaches. For example, they could:
 - forecast change in the current relationship between costs and revenues as a result of local authority infrastructure investments that make development of particular types of dwellings or locations more feasible in the long term
 - provide different scenarios either side of the current relationship between costs and revenues
 - replace a feasibility assessment with a simpler assessment of the number of dwellings likely to be built
- requiring HBAs to better **assess take up** by factoring in the number of dwellings likely to be built. We propose information provided by building consent data as a starting point, but beyond this there are various approaches that have been and could be used, for example:
 - projecting forward past development trends using the number of consents on zoned, infrastructure-supported sites (Palmerston North City Council and Marlborough District Council did this)
 - using information in building consents about lot sizes and heights to adjust inputs to feasibility modelling (Dunedin City Council did this)
 - developing a forecast for the future based on a sample study of factors affecting development, such as land ownership and intentions, developer plans and risk profiles, and finance availability (Tauranga City Council did this)
 - producing scenarios based on the above
- requiring HBAs to **analyse how plans may affect the overall supply and price of dwellings**. This analysis could, for example:
 - use information from price efficiency indicators¹¹ to form a view about the extent to which planning constraints on development affect land prices now
 - clarify what the assessment of long-term feasibility assumes about future land and house prices. For example, the assessment may conclude that a greater proportion of development capacity will become feasible over time, but that this depends on higher house prices.

¹¹ Such as the housing price to cost ratio and rural-urban differential currently provided on the Urban Development Capacity dashboard.

Understanding how planning can provide for diverse demands

The NPS-UDC 2016 requires HBAs to estimate:

- demand for different types of dwellings, locations and price points
- whether there is sufficient development capacity to meet these demands.

This is intended to ensure local authorities' plans provide for enough development capacity not only at the aggregate level, but also provide a mix of dwellings to meet the demands of different households.

Many of the first round of HBAs did not fully address these requirements or analyse how planning affects the supply of dwellings by type, location and price. In particular, local authorities identified difficulties in predicting future demand and capacity by price.

We propose that under the NPS-UD, these requirements be clarified and strengthened by producing:

- *quantitative estimates* of demand and capacity for dwellings of different types and in different locations
- *a qualitative analysis* of how plans may constrain or enable the supply of dwellings by type, location and price point to meet the demands of households with different incomes.

Timing of requirements

The NPD-UDC requires HBAs to be completed at least every three years. However, the fixed timeframes in the NPS-UDC for completing HBAs made integrated planning difficult and contributed to local authorities outsourcing work rather than developing their own capability and capacity.

We propose to retain this three-yearly cycle; however, the NPS-UD proposes more flexible timing for completing HBA requirements. Local authorities in major urban centres would be required to either prepare a new HBA or update an existing HBA every three years, in time to inform their FDS. The FDS would in turn inform long-term plans and infrastructure strategies under the Local Government Act 2002.¹²

The proposed timing could mean the major urban centres' next HBAs may need to be prepared by the end of 2020. In this case, and given that all the major urban centres completed their first HBA between 2017 and 2019, these HBAs could be updated only to focus on the new or substantially amended HBA requirements, such as:

- updating estimates of demand for dwellings and assessing a range of growth scenarios
- assessing take up of housing development capacity to inform a revised assessment of the total development capacity that plans enabled
- revising how much development capacity should be in bottom lines for housing.

Beyond 2021, HBAs would need to be produced or updated on a normal three-yearly cycle, as proposed in AP1 in the following table.

¹² Note that timing of HBAs and FDSs are considered in the 'timing' section of the discussion document, and we are seeking feedback on the workability of this.

What it would look like in the NPS

The following draft policies are proposed to be included in the NPS-UD.

Proposed objective/policy					Notes
<p>AP1: Local authorities that have part, or all of a major urban centre within their district or region must prepare or update, and publish a housing and business development capacity assessment (HBA) at least once every three years in time to inform the Future Development Strategy (FDS).</p> <p>The purpose of an HBA is to inform Resource Management plans, bottom lines set under policy [P4D] and the FDS, and to be able to inform long term plans (LTPs) prepared under the Local Government Act 2002.</p>					<ul style="list-style-type: none">• Applies to major urban centres• HBAs to be prepared or updated in time to inform FDS• Amends existing NPS-UDC 2016 policy PB1
<p>AP2: Every HBA must estimate scenarios for total demand for dwellings in the short, medium and long term</p>					<ul style="list-style-type: none">• Applies to major urban centres• HBAs to be prepared or updated in time to inform FDS• New policy
<p>AP3: On top of the estimate of total demand for dwellings, the HBA must add an additional margin of:</p> <p>a) 20% in the short and medium term and</p> <p>b) 15% in the long term.</p> <p>This number should inform the bottom lines for development capacity that is feasible and likely to be taken up, to be incorporated into local authority plans under policies [P4D, P4E and P4F].</p>					<ul style="list-style-type: none">• Applies to major urban centres• HBAs to be prepared or updated in time to inform FDS• Amends existing NPS-UDC 2016 policy PC1
<p>AP4: Every HBA must estimate development capacity for the short, medium and long term for greenfield and existing urban areas according to the table below:</p>					<ul style="list-style-type: none">• Applies to major urban centres• HBAs to be prepared or updated in time to inform FDS• Amends existing NPS-UDC 2016 policy PB3
Time	Plan enabled capacity	Supported by development infrastructure	Feasible	Likely to be taken up	
(Development capacity)					
Short term (within 3 years)	The cumulative effect of all zoning, objectives, policies, rules, spatial layers and existing designations in operative plans for permitted, controlled or restricted discretionary activities.	The actual development infrastructure in place.	Commercially viable to a developer based on the current relationship between costs and revenues.	Likely to be built, using as a starting point information about past development in building consent data.	
Medium term (3–10 years)	As above plus additional development capacity in a notified plan.	As above plus additional development infrastructure funded in an LTP and/or funded or			

		financed by an external party.			
Long term (10–30 years)	As above plus additional capacity identified in an FDS.	As above plus additional development infrastructure identified in an infrastructure strategy prepared under the Local Government Act 2002.	Commercially feasible to develop based, as a starting point, on the current relationship between costs and revenues.		
<p>AP5: Every HBA must estimate the difference in dwellings in the short, medium and long term between:</p> <p>a) scenarios for total demand plus additional margins specified in [AP3] and</p> <p>b) total development capacity for greenfield and existing urban areas that is feasible and likely to be taken up.</p> <p>This estimate must factor in any existing shortfall between demand and supply.</p>					<ul style="list-style-type: none"> • Applies to major urban centres • HBAs to be prepared or updated in time to inform FDS • Amends existing NPS-UDC 2016 policy PB4
<p>AP6: Every HBA must use price efficiency indicators along with other information including the assessment of feasibility and take up of development capacity, to analyse how plans may affect the supply and price of dwellings.</p>					<ul style="list-style-type: none"> • Applies to major urban centres • HBAs to be prepared or updated in time to inform FDS • Amends existing NPS-UDC 2016 policy PB3
<p>AP7: Every HBA must estimate in the short, medium and long term, the demand for dwellings (plus the additional margin specified in policy [AP3]) by type and location.</p>					<ul style="list-style-type: none"> • Applies to major urban centres • HBAs to be prepared or updated in time to inform FDS • Amends existing NPS-UDC 2016 policy PB1
<p>AP8: Every HBA must estimate in the short, medium and long term the development capacity that would be feasible and likely to be taken up, for dwellings of different types and in different locations.</p>					<ul style="list-style-type: none"> • Applies to major urban centres • HBAs to be prepared or updated in time to inform FDS • Amends existing NPS-UDC 2016 policy PB3
<p>AP9: Every HBA must estimate the difference in the short, medium and long term between:</p> <p>a) demand and additional margins specified in [AP3] for dwellings of different types and in different locations</p> <p>b) development capacity that is feasible and likely to be taken up, for dwellings of different types and in different locations.</p>					<ul style="list-style-type: none"> • Applies to major urban centres • HBAs to be prepared or updated in time to inform FDS • Amends existing NPS-UDC 2016 policy PB4
<p>AP10: Every HBA must use market indicators along with other information, to analyse how plans may constrain or enable the supply of dwellings by type, location and price point to meet the demands of households with different incomes.</p>					<ul style="list-style-type: none"> • Applies to major urban centres • HBAs to be prepared or updated in time to inform FDS • New policy
<p>AP11: Every HBA must estimate, in hectares and/or floor area, scenarios for the demand of different business sectors for business land in the short, medium and long term.</p>					<ul style="list-style-type: none"> • Applies to major urban centres • HBAs to be prepared or updated in time to inform FDS • Amends existing NPS-UDC 2016 policy PB1
<p>AP12: On top of the estimate of the demand of different business sectors for business land the HBA must add an additional margin of:</p> <p>a) 20% in the short and medium term, and</p>					<ul style="list-style-type: none"> • Applies to major urban centres • HBAs to be prepared or updated in time to inform FDS

b) 15% in the long term	<ul style="list-style-type: none"> Amends existing NPS-UDC 2016 policy PC1
AP13: Every HBA must estimate development capacity in hectares and/or floor area, for business land in different zones, in the short, medium and long term.	<ul style="list-style-type: none"> Applies to major urban centres HBAs to be prepared or updated in time to inform FDS Amends existing NPS-UDC 2016 policy PB1
AP14: Every HBA must estimate the difference, in hectares and/or floor area, between scenarios for demand by different sectors (+ the margin in [AP12]) and development capacity for business land in different zones in the short, medium and long term.	<ul style="list-style-type: none"> Applies to major urban centres HBAs to be prepared or updated in time to inform FDS Amends existing NPS-UDC 2016 policy PB4
AP15: Every HBA must analyse and compare: <ul style="list-style-type: none"> a) different business sectors demand for business land by size, tenure and location b) the development capacity for business land by size, tenure and location. 	<ul style="list-style-type: none"> Applies to major urban centres HBAs to be prepared or updated in time to inform FDS Amends existing NPS-UDC 2016 policy PB1
AP16: Every HBA must use industrial zone price differentials along with information from [AP15], to assess the relative feasibility and likely take up of that development capacity for business land.	<ul style="list-style-type: none"> Applies to major urban centres HBAs to be prepared or updated in time to inform FDS Amends existing NPS-UDC 2016 policy PB3
AP17: In carrying out the HBA, local authorities must seek and use input from the property development sector, (including major land owners and social housing providers where relevant), requiring authorities, and the providers of development infrastructure and other infrastructure.	<ul style="list-style-type: none"> Applies to major urban centres HBAs to be prepared or updated in time to inform FDS Amends existing NPS-UDC 2016 policy PB5

Questions

- A1. Do you support the changes to the HBA policies overall? Are there specific proposals you do or do not support? What changes would you suggest?
- A2. What do you anticipate the impact of the proposed policies (and any related changes) would be on planning and urban outcomes?
- A3. Are the margins proposed in policies AP3 and AP12 appropriate? If not, what should you base alternative margins on? (for example, using different margins based on higher or lower rural-urban price differentials).
- A4. How could these policies place a greater emphasis on ensuring enough development capacity at affordable prices?
- A5. Do you support the approach of targeting the HBA requirements only to major urban centres? Why/why not?

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