



Strategic Partners Forum Meeting

Agenda

8:00am – 10:00am, Tuesday, 8 November 2016 The

Balcony Room, Historic Village, 17th Avenue, Tauranga

1. Apologies	BW
2. Minutes and matters arising (<i>Paper A</i>)	BW
3. Water priorities – discussion	BW
4. Te Puke needs and aspirations - presentation	Mark Boyle/ Paul Hickson
5. Position Paper response framework (<i>Paper B</i>)	B Walsh
6. National Policy Statement (NPS) on Urban Development Capacity Release of final NPS (<i>Paper C</i>)	BW/B Walsh
7. Debrief on SmartGrowth tour	BW
8. Reshaping the Strategic Partners Forum	BW
9. Other Matters	Chair

Paper A

SmartGrowth Strategic Partners Forum Meeting
Tuesday, 13th September 8:00am – 10:00am
The Balcony Room, Historic Village, 17th Avenue

Present	Bill Wasley (Chair), Stan Gregec (Chamber of Commerce), Paul Hickson (Te Puke EDG), Philip King (TCC), Karen Summerhays (SmartGrowth), Phil Shoemack (Toi Te Ora), Eddie Orsulich (Forest & Bird), Bernie Walsh (SmartGrowth), Trish Hanlen (NCWNZ), Mark Boyle (Te Puke Fast Forward), Jennifer Pearson (Creative Tauranga), Megan Rumble (SmartGrowth) <u>Presenters:</u> Alistair Talbot & Mark Haseley (NZTA), Joe Metcalfe (BOPRC)	
Apologies	Fern Nielsen (National Council for Women), Annie Hill (Priority One), John Garwood (Fruit Growers Association), Mary Dillon (EnviroHub), Christine Ralph (HAF), Jeff Fletcher (PDF), Jacqui Knight (Katch Katikati), Nikki Johnson (NZKGI), Anne Pankhurst (PATAG), Phil Shoemack for an early departure.	
Previous minutes and matters arising	Discussion	No matters arising from previous minutes. Minutes confirmed by the group.
NZTA Update Mark Haseley and Alistair Talbot	Update/ Discussion	<ul style="list-style-type: none"> • Mark and Alistair provided an update on how NZTA are currently investing and what in, the changes in the organisation, new CEO and that the NZTA 'purpose' is under review. • Mark and Alistair talked about the 2015-18 National Land Transport Programme for the BOP region including the key outcomes and benefits NZTA are focused on. • Mark Haseley gave an overview of how the BOP fits into the wider plan and the investment framework. • Mark covered the learnings around the importance of consulting with the community. Waihi to Tauranga learnings. • Questions and discussion followed with key discussion around freight increases, how roading links with KiwiRail and how NZTA integrate better. Also discussion around the port and decisions been made. • It was noted that rail is funded and managed very differently to roading. NZTA's job is to invest dedicated funds from our road taxes into roading and funds are not allocated for rail under the current model. KiwiRail is a State Owned Enterprise with different governance and funding arrangements. I • The general feeling was that better integration between roading and rail was needed in the sub-region. <p>8.48am Jennifer Pearson joined the meeting.</p>

		<ul style="list-style-type: none"> • Mark and Alistair updated the group on the Baypark to Bayfair (B2B) upgrade and there was discussion around the improvements to walking, cycling and public transport. It was noted that the western Bay is a 97% car dependent region at present. • Mark and Alistair covered the three main problems facing the city/sub-region and discussion was had around the impact of a changing population. • It was noted that NZTA are doing good work around cycling, footpaths and rural roads after listening to the community although there is still a long way to go.
Western Bay of Plenty Blueprint Presentation Joe Metcalfe (BOPRC)	Update/ Discussion	<ul style="list-style-type: none"> • Joe presented on the Western Bay of Plenty Blueprint 10-year plan and noted there has been no public transport growth in the past 4 years. Joe noted that there is a lot of opportunity right now with the Civic Centre and Compact City projects. There is also good opportunity to promote PT as an alternative during roading upgrade times of congestion e.g. B2B (Baypark to Bayfair) • 9.25am Phil Shoemack withdrew from the meeting. • Joe had done his own analysis of the SPF position paper and pulled out key themes. • Joe provided an overview of the BluePrint draft programme and the timeframes. Looking at the new bus network contracts to go live in Jan 2018. Looking at an in-depth public feedback/engagement process early 2017 – this may be pushed back however as it was noted Dec/Jan is not a good time for community engagement. Questions and discussion followed.
Position Paper Analysis	Discussion	<ul style="list-style-type: none"> • It had been resolved at the August SGIC meeting that consultant Liz Davies written analysis which highlighted the six common themes across the position papers, would go to the forum meetings for feedback. SmartGrowth is looking at how we move forward in the next 18 months-3 years and how we respond to the forums. • Karen S advised that the general feeling across the forums is that their paper stands as it is and whilst they agree with the overview report findings, they would like their positions responded to individually. The forums do not want the detail lost. • It was noted that responses would be made to all matters raised • Jennifer P wished to congratulate everyone who was involved in the position paper process and noted it is really great to see social infrastructure coming through. • Bill W noted it was a very good response from SGIC. Another great learning was having the chairs on the panel to respond to the questions. The ability to use these positions as an information base is quite important.

		<ul style="list-style-type: none"> • Karen S noted that the forums are not just seeing this as a submission to a process but more of a blueprint of what they stand for going forward. • Discussion was had around our sub-regional approach and taking care to keep a sub-regional focus, rather than just Tauranga.
Research Papers Actions 9A4 'Giving Voices' Papers Ageing Well National Science Challenge Papers	Update/ Discussion	<ul style="list-style-type: none"> • Karen S provided an overview of the Giving Voices research which is around providing an opportunity to the voices we don't often hear from. Youth, migrant families and Maata Waka Maori. It is also important to plan for not just the mainstream members of society. The methods report will be presented at a western Bay Hui for practitioners in November. • Ageing Well National Science Challenge Life When Renting Papers. Karen S noted that these two papers (The Housing Older People Would Choose and Tenure Security for Older Tenants) are the first of four bulletins coming from the National Science Challenge. • It was noted that there are issues around renting and house ownership in the region. Ownership is down to 54%. Tenure for older people is really important as it is really essential for them to remain in their communities. Ageing in place is essential. It was noted that people who are renting are less likely to have modifications made to their house so are likely to end up in care seven years earlier than someone who owns their own home. • Discussion was had around homelessness and wealth transfer. Mention of Bernard Hickey's presentation at the Silver Economy Symposium was made.
SmartGrowth Thankyou Function	Update	The SmartGrowth Thank you function will be held at the Tauranga Yacht Club at Sulphur Pont on Thursday 22 nd September 2016. Please RSVP to Megan for catering purposes. Live entertainment and refreshments will be provided.
Other Matters	Discussion	Safe Water /Security after what has just happened in the Hawkes Bay and is there sufficient water for the needs of the sub-region. Bill W noted that this is a good topic of conversation for the next meeting.
	Action	Water to be agenda item for November meeting – council speakers to attend.

Meeting ended at 10.08am. Next Meeting 8th November. Balcony Room, Historic Village, 17th Avenue – 8.00am-10.00am.

OUTSTANDING ACTION POINTS

Strategic Partners Forum

Item No.	Meeting	Action	Action
1.	September	Water agenda item for November meeting – council speakers to attend.	BW/MR

DRAFT

SmartGrowth Forums: Position Paper Response Framework

Report prepared by Cheryl Steiner, Strategic Planning Consultant

Background

SmartGrowth Forums were invited to prepare a position statement to articulate what they believe is important and requires consideration through the Settlement Pattern Review. The SmartGrowth Forum Position Papers were first presented to SGIC at the 20 July 2016 meeting.

At the August 2016 SGIC meeting, a summary of the nine position papers was presented that outlined six themes identified by five or more of the forums. The report stated that *the themes represent what the eight forums and the Bay of Plenty District Health Board collectively believe to be essential ingredients for consideration in the Settlement Pattern Review process*. Further detail and comments are included in each position paper.

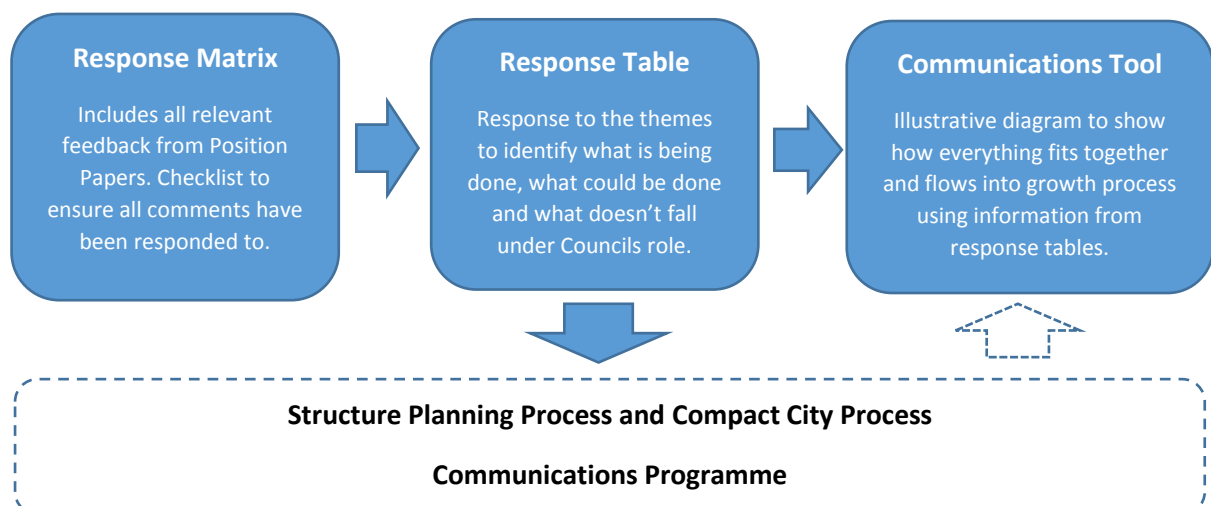
SGIC recommended that the partner councils agree to a number of core decision-making objectives to accompany recommendation on the Settlement Pattern Review process, one of which was providing a response to the SmartGrowth position papers.

Response process

The development and content of the position papers presents an opportunity for SmartGrowth to:

- Provide a written response to matters raised by each of the forums,
- Use this as an avenue to educate and inform forums members on what is currently considered in the growth planning process and what determines the requirements (e.g. strategies, levels of service, guidelines) and
- Identify areas of further work or gaps at a strategy, policy or implementation level.

In recognition of the time spent developing the position papers and the importance of the matters raised, it is intended to develop three pieces of work that together form a response. See diagram below and explanation. As per the SGIC August meeting, running parallel to this work will be commencement of the structure plan processes, compact city process and development of a communications programme that will essentially outline how SmartGrowth and the partner Councils will respond to many of the matters raised in the “community involvement in landuse planning” theme.



The **Response Matrix** is a spreadsheet that includes all relevant points¹ made in the position papers and reference where this has been picked up in the Response Tables. If there are comments made that do not logically fit within the Response Table template this will need to be noted in the Response Matrix with some explanation as to why this is the case. This could be a bit of an iterative process as we go through the information and try to determine where it should sit and what the response should be to try and make sure that the information is as meaningful as possible.

The purpose of the Response Matrix is twofold – to help SmartGrowth make sure that all comments have been responded to, and to help Forums track where their comments have been responded to.

The **Response Table** takes the six themes identified in the August 2016 summary report (plus a further four themes identified as we have undertaken a more detailed assessment of the position papers) and the key components of each theme, and provides a response to the matters raised through three possible categories:

- what is currently considered in growth planning processes and where the direction comes from, along with who has primary responsibility for this and an example of application and investment,
- what has been raised and could be considered further (this could be things that have only recently been considered by Councils and that have the potential to become more integrated into growth planning processes), and
- what currently does not fall under the role of Councils (and who it may fall under if relevant).

The “community involvement in landuse planning” theme is likely to be picked up through the process and communications programme discussions so may not need a template.

An example template is attached for the Active Transport Options and Public Transport theme. Note that this was used to illustrate what information could be provided and to test the template, and will not be the final outcome for this theme as it has not yet been reviewed by Council staff.

Council staff will initially be responsible for filling out the relevant information. The opportunity for other key stakeholders to add to this could occur as we start to build up the information.

Response Templates have been developed for the following themes:

- Community Involvement
- Urban Design
- Social Infrastructure
- Compact Urban Form
- Housing
- Active Transport
- Growth Planning
- Environmental Sustainability
- Community
- Culture and Heritage

¹ The papers generally followed a standard template so for the purpose of this exercise ‘relevant’ means all of the points that fit under the headings that require some type of action and include information under the following headings - critical factors, position statements and specific outcomes sought.

What this information does is educate and inform on what is already in place, and therefore what will need to be (or has started to be) applied to the relevant stages of the four integrated urban growth projects – Tauranga Compact City, Te Tumu, Keenan Road and Tauriko West. It also provides a basis for further consideration of some matters and provides a starting point for a discussion on matters that do not currently fall under Council responsibility but might have the potential to in the future (likely to be subject to political discussion), or matters that are not currently a consideration in the Settlement Pattern Review process.

The **Communications Tool** is intended to provide a visual and summarised illustration of the responses provided in the Response Table. This could be used by the Forums and by Councils to show what is considered and how this has been applied to growth areas planning processes. It has the potential to be developed as a live tool or visual checklist that can be updated to show progress against the four integrated urban growth projects, and others as they come about.

[Progress update \(as at 26 October 2016\)](#)

- The proposed approach was discussed at the October 2016 IMG meeting.
- The Response Tables for the initial six themes have been circulated to partner Councils to populate.
- Four additional Response Tables have been developed and will be sent out to partner Councils this week.
- The Response Matrix has started to be developed by SmartGrowth staff.
- SmartGrowth are working through the process, format and timeframes for reporting this information back to the Forums and back to SGIC and partner Councils.

Note that it may be that additional information is required to assist in explaining the response, for example a glossary and hierarchy of document types to better explain how direction is determined and extent of influence it has on the outcomes. This will be developed as required to assist in the report back process.

Active Transport Options and Public Transport The importance of creating healthy urban environments that reduce the need for private vehicles and increase cycling and walking opportunities was frequently identified in position statements as critical for successful community building.	1.				2.	3.
	What is currently considered in the growth planning process				What could be considered further	What currently does not fall under the role of Councils
	What determines requirements	Who has primary responsibility	Example of application (either existing or planned)	Example of investment (either existing or planned)		
<ul style="list-style-type: none"> - Walkable neighbourhoods for good connectivity. - Walk and cycle ways which facilitate commuting and recreation. - Appropriate infrastructure e.g. cycle racks. 	Tauranga Transport Strategy, Western Bay Cycling Strategy, Western Bay Transport Strategy	TCC/WBOPDC		\$1.2m included in TCC 2015-25 LTP for completion of urban cycleway network.		
<ul style="list-style-type: none"> - Public transport nodes linked to and between neighbourhoods/cities/towns, that is reliable and of sufficient frequency and accessible to specific destinations e.g. hospitals. 	Regional Public Transport Plan, Draft Public Transport Blueprint	BOPRC				
<ul style="list-style-type: none"> - Take into account disability access to transport. 	Regional Public Transport Plan, Draft Public Transport Blueprint, Disability Strategy	TCC/WBOPDC/ BOPRC				
<ul style="list-style-type: none"> - Destination planning. - Shared transport options. 	Tauranga Transport Strategy, Western Bay Cycling Strategy, Western Bay Transport Strategy, Regional Public Transport Plan, Draft Public Transport Blueprint	TCC/WBOPDC/ BOPRC				

Active Transport Options and Public Transport The importance of creating healthy urban environments that reduce the need for private vehicles and increase cycling and walking opportunities was frequently identified in position statements as critical for successful community building.	1.				2.	3.
	What is currently considered in the growth planning process				What could be considered further	What currently does not fall under the role of Councils
	What determines requirements	Who has primary responsibility	Example of application (either existing or planned)	Example of investment (either existing or planned)		
- Electric vehicles supported.					TCC have provided an electric car charging station in the CBD.	
- Increase proportion of freight volume transported by rail.						For consideration by Upper North Island Strategic Alliance, KiwiRail and NZTA.

Summary of the National Policy Statement on Urban Development Capacity

	A: Outcomes for planning decisions	B: Evidence and monitoring to support planning decisions	C: Responsive planning	D: Coordinated planning evidence and decisions
Objectives	These objectives apply to all local authorities and decision-makers . Policies PA1 to PA4 apply to any urban environment expecting to experience growth.			
Policies	OA1. Effective and efficient urban environments that enable people and communities and future generations to provide for social, economic, cultural and environmental wellbeing. OA2. Urban environments that have sufficient opportunities to meet demand, and which provide choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses. OA3. Urban environments that, over time, develop and change in response to the changing needs of people and communities and future generations.	OB1. A robustly developed, comprehensive and frequently updated evidence base to inform planning decisions in urban environments.	OC1. Planning decisions, practices and methods that enable urban development which provides for the social, economic, cultural and environmental wellbeing of people and communities and future generations in the short, medium and long term. OC2. Local authorities adapt and respond to evidence about urban development, market activity and the social, economic, cultural and environmental wellbeing of people and communities and future generations, in a timely way.	OD1. Urban environments where land use, development, development infrastructure and other infrastructure are integrated with each other. OD2. Coordinated and aligned planning decisions within and across local authority boundaries.
		Policies PB1-PB7, PC1-PC4, PD1 and PD2 apply to local authorities with a Medium or High-Growth Urban Area within their district or region. The application of the policies is not restricted to the boundaries of the Urban Area .		
		PB1. Local authorities shall carry out a housing and business development capacity assessment at least three-yearly that: <ul style="list-style-type: none">Estimates housing demand, including for different types, locations and price points; and the supply of development capacity to meet that demand, in the short, medium and long terms.Estimates demand for different types and locations of business land and floor area for businesses and the supply of development capacity to meet that demand in the short, medium and long terms.Assesses interactions between housing and business activities, and their impacts on each other. PB2. The assessment shall use information about demand including: <ul style="list-style-type: none">Demographic change (including Statistics New Zealand population projections)Future changes in business activities of the local economy and potential impacts on demand for housing and business landMarket indicators monitored under PB6 and PB7. PB3. The assessment shall estimate the sufficiency of development capacity provided by plans including: <ul style="list-style-type: none">The cumulative impact of all zoning, objectives, policies, rules and overlays in plansActual and likely availability of infrastructure under PA1Current feasibility of development capacityRate of take up of development capacityThe market’s response to planning decisions obtained through monitoring indicators under PB6 and PB7. PB4. The assessment shall estimate the additional capacity needed if any of the above factors indicate that the supply of development capacity is not likely to meet demand in the short, medium or long term. PB5. In carrying out the assessment local authorities shall seek and use the input of iwi authorities, the property development sector, significant land owners, social housing providers, requiring authorities and the providers of development and other infrastructure. PB6. To ensure they are well-informed about demand, development capacity, urban development activity and outcomes and how planning decisions may affect this, local authorities shall monitor quarterly: <ul style="list-style-type: none">Prices and rents for housing, residential and business land by location and type; and changes in these over timeResource and building consents relative to population growthIndicators of housing affordability. PB7: Local authorities shall use information provided by indicators of price efficiency in their land and development market, such as price differentials between zones, to understand how well the market is functioning and how planning may affect this, and when additional development capacity might be needed. <i>Local authorities are encouraged to publish the housing and business development capacity assessment under PB1 and monitoring results under PB6 and PB7.</i>	PC1.To factor in the proportion of feasible development capacity that may not be developed, in addition to the requirement to ensure sufficient, feasible development capacity as outlined in PA1, local authorities shall also provide an additional margin of feasible development capacity over and above projected demand of at least: 20% in the short and medium term; and, 15% in the long term. PC2. If evidence from the assessment under PB1, including information about the rate of take-up of development capacity, indicates a higher margin is more appropriate, this higher margin should be used. PC3. When the housing and business development capacity assessment or monitoring indicates development capacity is not sufficient in any of the short, medium or long term, local authorities shall respond by providing further development capacity and enabling development. PC4. Local authorities shall consider all practicable options for providing sufficient, feasible development capacity and enabling development to meet demand including: <ul style="list-style-type: none">Changes to plans and regional policy statements including zoning, objectives, policies, rules and overlays that apply in both existing urban environments and greenfield areasIntegrated and coordinated consenting processes that facilitate developmentStatutory tools and other methods available under other legislation. <i>These policies <u>apply</u> to local authorities with a High-Growth Urban Area within their district or region. Local authorities with a Medium-Growth Urban Area within their district or region <u>are encouraged</u> to give effect to these policies. The application of the policies is not restricted to the boundaries of the Urban Area.</i>	PD1. Local authorities that share jurisdiction over an Urban Area are strongly encouraged to work together to implement this NPS, and particularly to cooperate and agree on: <ul style="list-style-type: none">A joint housing and business development capacity assessmentThe provision and location of sufficient, feasible development capacity. PD2. Local authorities shall work with providers of development infrastructure and other infrastructure to achieve integrated land use and infrastructure planning in order to implement PA1-PA3, PC1 and PC2.
	PA1. Local authorities shall ensure that at any one time there is sufficient development capacity available as follows: <ul style="list-style-type: none">Short term capacity must be feasible, zoned and serviced with development infrastructureMedium term capacity must be feasible, zoned and either serviced with development infrastructure, or development infrastructure identified in a long term plan under the LGALong term capacity must be feasible, identified in relevant plans and strategies, and the development infrastructure to support it must be identified in an infrastructure strategy under the LGA PA2. Local authorities shall satisfy themselves that other infrastructure required to support urban development is likely to be available. PA3. When making decisions that affect the way and rate at which development capacity is provided, decision-makers shall provide for the social, economic, cultural and environmental wellbeing of people and communities and future generations, having regard to: <ul style="list-style-type: none">Providing choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businessesPromoting efficient use of scarce urban land and infrastructureLimiting as much as possible adverse impacts on the competitive operation of land and development markets. PA4. When considering effects of urban development, decision-makers shall take into account: <ul style="list-style-type: none">The benefits that urban development will provide with respect to the ability of people, communities and future generations to provide for their social, economic, cultural and environmental wellbeingThe benefits and costs of urban development at a national, inter-regional, regional and district scale, as well as local effects.		PC5-11. Local authorities shall set minimum targets for sufficient, feasible development capacity for housing. Regional councils shall incorporate these into their regional policy statement and territorial authorities shall incorporate these as an objective in their relevant plan. Minimum targets shall be set for the medium and long terms and reviewed every three years. When evidence shows that the minimum targets set in the regional policy statement or relevant plans are not sufficient, local authorities shall revise those minimum targets. Local authorities shall set and revise the minimum targets in their regional policy statement or relevant plan without going through the consultation process set out in Schedule 1 of the RMA. PC12-14. Local authorities shall produce a future development strategy that demonstrates there will be sufficient, feasible development capacity in the medium and long terms and that the minimum targets will be met. This strategy shall: <ul style="list-style-type: none">Identify the location, timing and sequencing of future development capacity for the long-term, including both future greenfield areas and intensification opportunities in existing urban environmentsBalance certainty about future urban development with being responsive to demand. This strategy: <ul style="list-style-type: none">Shall be informed by the relevant long term plans and infrastructure strategies under the Local Government Act 2002 (LGA)Can be incorporated into a non-statutory document outside the RMA. In developing this strategy local authorities should: <ul style="list-style-type: none">Undertake a consultation process that complies with either Part 6 of the LGA, or Schedule 1 of the RMABe informed by the housing and business development capacity assessmentHave particular regard to policy PA3 when considering how to provide development capacity.	PD3. Local authorities that share jurisdiction over an Urban Area are strongly encouraged to cooperate and agree upon: <ul style="list-style-type: none">The specification of minimum targets and their reviewThe development of a joint future development strategy. PD4. Local authorities shall work with providers of development infrastructure and other infrastructure in preparing the future development strategy.

Definitions

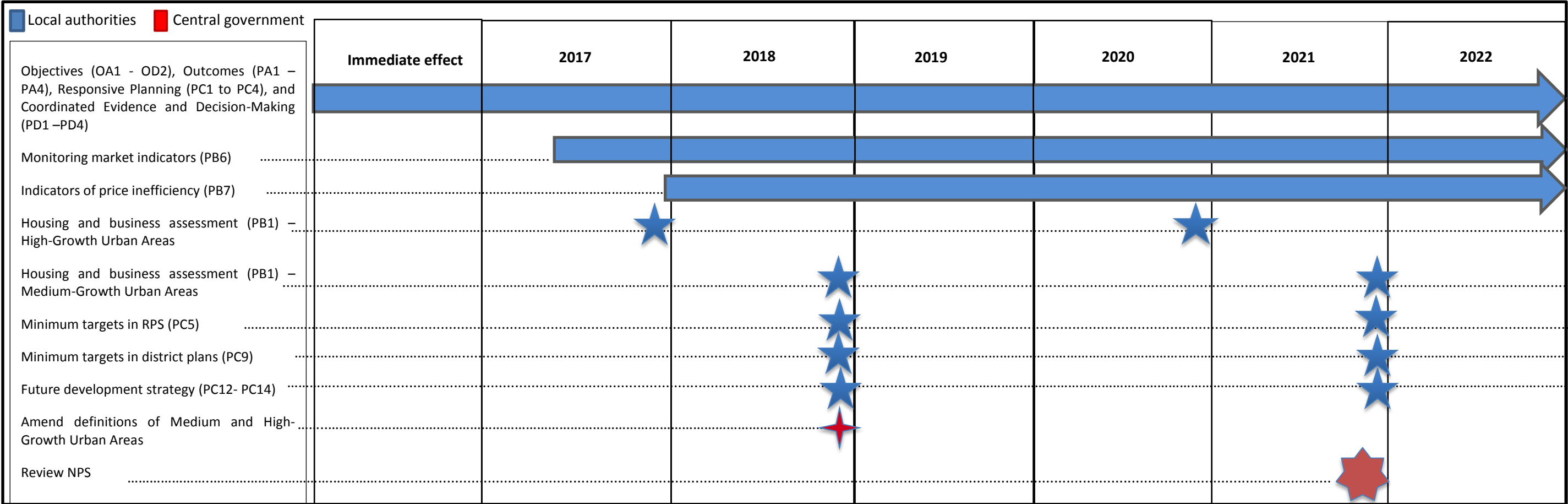
Development capacity: means in relation to housing and business land, the capacity of land intended for urban development based on: <div>a) The zoning, objectives, policies, rules and overlays that apply to the land, in the relevant proposed and operative regional policy statements, regional plans and district plans; and</div> <div>b) The provision of adequate development infrastructure to support the development of the land.</div>
Feasible: means the development is commercially viable development, taking into account the current likely costs, revenue and yield of developing; and <i>feasibility</i> has a corresponding meaning.
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
Short term: means within the next three years Medium term: means between three and ten years Long term: means between ten and thirty years
Development infrastructure: means network infrastructure for water supply, wastewater, stormwater and land transport as defined in the Land Transport Management Act 2002, to the extent that it is controlled by local authorities.
Other infrastructure means: open space; community infrastructure as defined in the Local Government Act 2002; land transport as defined in the Land Transport Management Act 2002 that is not controlled by local authorities; social infrastructure such as schools and healthcare; telecommunications as defined in the Telecommunications Act 2001; energy; and, other infrastructure not controlled by local authorities.

Which NPS-UDC objectives and policies apply to which local authorities^^

Area	Relevant Local Authorities	Relevant Objectives and Policies for Implementation		
<i>(Subject to change as population projections are revised)</i>		All Objectives and Policies PA1-PA4	Policies PB1-PB7, PC1-PC4 and PD1-PD2	Policies PC5-PC14 and PD3-PD4
<i>High-Growth Urban Areas</i>				
Auckland	Auckland Council			
Tauranga	Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council			
Hamilton	Hamilton City Council, Waikato District Council, Waipa District Council, Waikato Regional Council			
Queenstown	Queenstown Lakes District Council, Otago Regional Council			
Christchurch	Christchurch City Council, Waimakariri District Council, Selwyn District Council, Environment Canterbury Regional Council			
<i>Medium-Growth Urban Areas</i>				
New Plymouth	New Plymouth District Council, Taranaki Regional Council			
Nelson	Nelson City Council, Tasman District Council			
Kapiti	Kapiti Coast District Council, Greater Wellington Regional Council			
Palmerston North	Palmerston North City Council, Horizons Council			
Wellington	Wellington City Council, Porirua City Council, Lower Hutt City Council, Upper Hutt City Council, Greater Wellington Regional Council			
<i>Rest of New Zealand</i>				
All others	The remainder of New Zealand’s local authorities			

^^Note, it is highly likely that a number of additional urban areas will be defined as either a high or medium growth urban area when Statistics New Zealand revises population projections in 2017. Revisions are expected by September 2017.

Timeframes for Implementation++



++ Local authorities with urban areas newly defined as either high or medium growth urban areas due to Statistics New Zealand revisions in 2017 will have extra time to complete some of these requirements.

on Urban Development Capacity 2016

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Preamble

New Zealand is highly urbanised, with 73 percent of us living in urban areas of at least 30,000 people.¹

Urban environments are characterised by the closeness of people and places, and the connections between them. They enable us to live, work and play in close proximity, giving us access to amenity, services and activities that people value. While urban environments share these common characteristics, they also have unique local variations; the traits that make one urban environment different from another. Urban environments often have high rates of population and economic growth. Reflecting this, they are dynamic, and are constantly changing to reflect the needs of their communities. This constant change can have both positive and negative impacts: well-functioning urban areas maximise the positives and minimise the negatives.

Well-functioning urban environments provide for people and communities' wellbeing. They provide people with access to a choice of homes and opportunities to earn income, good connections between them, and attractive built and natural environments. They have good quality physical and social infrastructure and open space. They make efficient use of resources and allow land uses to change to meet the changing needs of their inhabitants while protecting what is precious. They make the most of their ability to connect to other parts of the world through trade and the movement of goods and people. Such urban environments attract people and investment, and are dynamic places that make a significant contribution to national economic performance.

Local authorities play an important role in shaping the success of our cities by planning for growth and change and providing critical infrastructure. Ideally, urban planning should enable people and communities to provide for their social, economic, cultural and environmental wellbeing through development, while managing its effects. This is a challenging role, because cities are complex places; they develop as a result of numerous individual decisions, and this often involves conflict between diverse preferences.

This national policy statement provides direction to decision-makers under the Resource Management Act 1991 (RMA) on planning for urban environments. It recognises the national significance of well-functioning urban environments, with particular focus on ensuring that local authorities, through their planning, both:

- enable urban environments to grow and change in response to the changing needs of the communities, and future generations; and
- provide enough space for their populations to happily live and work. This can be both through allowing development to go “up” by intensifying existing urban areas, and “out” by releasing land in greenfield areas.

This national policy statement covers development capacity for both housing and business, to recognise that mobility and connectivity between both are important to achieving well-functioning urban environments. Planning should promote accessibility and connectivity between housing and businesses. It is up to local authorities to make decisions about what sort of urban form to pursue.

This national policy statement aims to ensure that planning decisions enable the supply of housing needed to meet demand. This will contribute to minimising artificially inflated house prices at all

¹According to Statistics New Zealand's most recent estimates.

levels and contribute to housing affordability overall. Currently, artificially inflated house prices drive inequality, increase the fiscal burden of housing-related government subsidies, and pose a risk to the national economy.

Local authorities need to provide for the wellbeing of current generations, and they must also provide for the wellbeing of the generations to come. The overarching theme running through this national policy statement is that planning decisions must actively enable development in urban environments, and do that in a way that maximises wellbeing now and in the future.

This national policy statement does not anticipate development occurring with disregard to its effect. Local authorities will still need to consider a range of matters in deciding where and how development is to occur, including the direction provided by this national policy statement.

Competition is important for land and development markets because supply will meet demand at a lower price when there is competition. There are several key features of a competitive land and development market. These include providing plenty of opportunities for development. Planning can impact on the competitiveness of the market by reducing overall opportunities for development and restricting development rights to only a few landowners.

This national policy statement requires councils to provide in their plans enough development capacity to ensure that demand can be met. This includes both the total aggregate demand for housing and business land, and also the demand for different types, sizes and locations. This development capacity must also be commercially feasible to develop, and plentiful enough to recognise that not all feasible development opportunities will be taken up. This will provide communities with more choice, at lower prices.

Development capacity must be provided for in plans and also supported by infrastructure. Urban development is dependent on infrastructure, and decisions about infrastructure can shape urban development. This national policy statement requires development capacity to be serviced with development infrastructure, with different expectations from this infrastructure in the short, medium and long-term. It encourages integration and coordination of land use and infrastructure planning. This will require a sustained effort from local authorities, council-controlled organisations, and infrastructure providers (including central government) to align their intentions and resources.

Another key theme running through the national policy statement is for planning to occur with a better understanding of land and development markets, and in particular the impact that planning has on these. This national policy statement requires local authorities to prepare a housing and business development capacity assessment and to regularly monitor market indicators, including price signals, to ensure there is sufficient development capacity to meet demand. Local authorities must respond to this information. If it shows that more development capacity needs to be provided to meet demand, local authorities must then do so. Providing a greater number of opportunities for development that are commercially feasible will lead to more competition among developers and landowners to meet demand.

This national policy statement also places a strong emphasis on planning coherently across urban housing and labour markets, which may cross local authority administrative boundaries. This will require coordinated planning between local authorities that share jurisdiction over urban housing and labour markets. This includes collaboration between regional councils and territorial authorities who have differing functions under the RMA, but which all impact on and are impacted on by urban development.

This national policy statement recognises that the benefits of the statement are greatest in urban areas experiencing the highest levels of growth. It takes a tiered approach to the application of policies using the Statistics New Zealand urban areas classification, and population projections to target different policies to different local authorities. This classification also informs local authorities that they must work together. The boundaries of the urban areas do not restrict the area in which the local authorities apply the policies.

Local authorities that have a high-growth urban area within their jurisdiction are expected to meet all of the requirements of policies in this national policy statement, while local authorities with medium-growth urban areas in their jurisdiction, and all other local authorities, have lesser requirements, as per the table below.

	All local authorities	Local authorities that have a medium-growth urban area within their district or region	Local authorities that have a high-growth urban area within their district or region
Objectives that apply	All	All	All
Policies that apply	PA1 - PA4	PA1 - PA4	PA1 - PA4
		PB1 - PB7 PC1 - PC4 PD1 - PD2	PB1 - PB7 PC1 - PC4 PD1 - PD2
			PC5 - PC14 PD3 - PD4

This preamble may assist the interpretation of the national policy statement.

Title

This national policy statement is the National Policy Statement on Urban Development Capacity 2016.

Commencement

This national policy statement comes into force on the 28th day after the date on which it is notified in the *New Zealand Gazette*.

Interpretation

In this national policy statement, unless the context otherwise requires, –

Act means the Resource Management Act 1991.

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:

- 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).

Decision-maker means any person exercising functions and powers under the Act.

Demand means:

In relation to housing, the demand for dwellings in an urban environment in the short, medium and long-term, including:

- 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; and
- d) the demand for different price points

recognising that people will trade off (b), (c) and (d) to meet their own needs and preferences.

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:

- a) the quantum of floor area to meet forecast growth of different business activities;
- b) the demands of both land extensive and intensive activities; and
- c) the demands of different types of business activities for different locations within the urban environment.

Development capacity means in relation to housing and business land, the capacity of land intended for urban development based on:

- a) 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; and
- b) the provision of adequate development infrastructure to support the development of the land.

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.

Feasible means that development is commercially viable, taking into account the current likely costs, revenue and yield of developing; and **feasibility** has a corresponding meaning.

High-growth urban area means any urban area (as defined by Statistics New Zealand in 2016) that:

- a) has either:
 - a resident population of over 30,000 people according to the most recent Statistics New Zealand urban area resident population estimates
 - or
 - 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
- 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.

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.

Local authority has the same meaning as in section 2 of the Resource Management Act 1991.

Long term means between ten and thirty years.

Medium-growth urban area means any urban area (as defined by Statistics New Zealand in 2016) that:

- a) has a resident population of over 30,000 people according to the most recent Statistics New Zealand urban area resident population estimates
- and
- 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.

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.

Medium term means between three and ten years.

Other infrastructure means:

- a) 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; and
- g) other infrastructure not controlled by local authorities.

Plan means any plan under section 43AA of the Act or proposed plan under section 43AAC of the Act.

Planning decision means any decision on any plan, a regional policy statement, proposed regional policy statement, or any decision on a resource consent.

Short term means within the next three years.

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.

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.

National significance

This national policy statement is about recognising the national significance of:

- a) urban environments and the need to enable such environments to develop and change;
and
- b) providing sufficient development capacity to meet the needs of people and communities and future generations in urban environments.

Objectives

The following objectives apply to all decision-makers when making planning decisions that affect an urban environment.

Objective Group A – Outcomes for planning decisions

- OA1: Effective and efficient urban environments that enable people and communities and future generations to provide for their social, economic, cultural and environmental wellbeing.
- OA2: Urban environments that have sufficient opportunities for the development of housing and business land to meet demand, and which provide choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses.
- OA3: Urban environments that, over time, develop and change in response to the changing needs of people and communities and future generations.

Objective Group B – Evidence and monitoring to support planning decisions

- OB1: A robustly developed, comprehensive and frequently updated evidence base to inform planning decisions in urban environments.

Objective Group C – Responsive planning

- OC1: Planning decisions, practices and methods that enable urban development which provides for the social, economic, cultural and environmental wellbeing of people and communities and future generations in the short, medium and long-term.
- OC2: Local authorities adapt and respond to evidence about urban development, market activity and the social, economic, cultural and environmental wellbeing of people and communities and future generations, in a timely way.

Objective Group D – Coordinated planning evidence and decision-making

- OD1: Urban environments where land use, development, development infrastructure and other infrastructure are integrated with each other.
- OD2: Coordinated and aligned planning decisions within and across local authority boundaries.

Policies

Outcomes for planning decisions

Policies PA1 to PA4 apply to any urban environment that is expected to experience growth.

PA1: Local authorities shall ensure that at any one time there is sufficient housing and business land development capacity according to the table below:

Short term	Development capacity must be feasible, zoned and serviced with development infrastructure.
Medium term	Development capacity must be feasible, zoned and either: <ul style="list-style-type: none">• 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 2002.
Long-term	Development capacity must be feasible, identified in relevant plans and strategies, and the development infrastructure required to service it must be identified in the relevant Infrastructure Strategy required under the Local Government Act 2002.

PA2: Local authorities shall satisfy themselves that other infrastructure required to support urban development are likely to be available.

PA3: When making planning decisions that affect the way and the rate at which development capacity is provided, decision-makers shall provide for the social, economic, cultural and environmental wellbeing of people and communities and future generations, whilst having particular regard to:

- Providing for choices that will meet the needs of people and communities and future generations for a range of dwelling types and locations, working environments and places to locate businesses;
- Promoting the efficient use of urban land and development infrastructure and other infrastructure; and
- Limiting as much as possible adverse impacts on the competitive operation of land and development markets.

PA4: When considering the effects of urban development, decision-makers shall take into account:

- The benefits that urban development will provide with respect to the ability for people and communities and future generations to provide for their social, economic, cultural and environmental wellbeing; and
- The benefits and costs of urban development at a national, inter-regional, regional and district scale, as well as the local effects.

Evidence and monitoring to support planning decisions

Policies PB1 to PB7 apply to all local authorities that have part, or all, of either a medium-growth urban area or high-growth urban area within their district or region.

The application of these policies is not restricted to the boundaries of the urban area.

- PB1: Local authorities shall, on at least a three-yearly basis, carry out a housing and business development capacity assessment that:
- a) Estimates the demand for dwellings, including the demand for different types of dwellings, locations and price points, and the supply of development capacity to meet that demand, in the short, medium and long-terms; and
 - b) Estimates the demand for the different types and locations of business land and floor area for businesses, and the supply of development capacity to meet that demand, in the short, medium and long-terms; and
 - c) Assesses interactions between housing and business activities, and their impacts on each other.

Local authorities are encouraged to publish the assessment under policy PB1.

- PB2: The assessment under policy PB1 shall use information about demand including:
- a) Demographic change using, as a starting point, the most recent Statistics New Zealand population projections;
 - b) Future changes in the business activities of the local economy and the impacts that this might have on demand for housing and business land; and
 - c) Market indicators monitored under PB6 and PB7.
- PB3: The assessment under policy PB1 shall estimate the sufficiency of development capacity provided by the relevant local authority plans and proposed and operative regional policy statements, and Long Term Plans and Infrastructure Strategies prepared under the Local Government Act 2002, including:
- a) The cumulative effect of all zoning, objectives, policies, rules and overlays and existing designations in plans, and the effect this will have on opportunities for development being taken up;
 - b) The actual and likely availability of development infrastructure and other infrastructure in the short, medium and long term as set out under PA1;
 - c) The current feasibility of development capacity;
 - d) The rate of take up of development capacity, observed over the past 10 years and estimated for the future; and
 - e) The market's response to planning decisions, obtained through monitoring under policies PB6 and PB7.
- PB4: The assessment under policy PB1 shall estimate the additional development capacity needed if any of the factors in PB3 indicate that the supply of development capacity is not likely to meet demand in the short, medium or long term.

- PB5: In carrying out the assessment under policy PB1, local authorities shall seek and use the input of iwi authorities, the property development sector, significant land owners, social housing providers, requiring authorities, and the providers of development infrastructure and other infrastructure.
- PB6: To ensure that local authorities are well-informed about demand for housing and business development capacity, urban development activity and outcomes, local authorities shall monitor a range of indicators on a quarterly basis including:
- a) Prices and rents for housing, residential land and business land by location and type; and changes in these prices and rents over time;
 - b) The number of resource consents and building consents granted for urban development relative to the growth in population; and
 - c) Indicators of housing affordability.
- PB7: Local authorities shall use information provided by indicators of price efficiency in their land and development market, such as price differentials between zones, to understand how well the market is functioning and how planning may affect this, and when additional development capacity might be needed.

Local authorities are encouraged to publish the results of their monitoring under policies PB6 and PB7.

Responsive planning

Policies PC1 to PC4 apply to all local authorities that have part, or all, of either a medium-growth urban area or high-growth urban area within their district or region.

The application of these policies is not restricted to the boundaries of the urban area.

- PC1: To factor in the proportion of feasible development capacity that may not be developed, in addition to the requirement to ensure sufficient, feasible development capacity as outlined in policy PA1, local authorities shall also provide an additional margin of feasible development capacity over and above projected demand of at least:
- 20% in the short and medium term, and
 - 15% in the long term.
- PC2: If evidence from the assessment under policy PB1, including information about the rate of take-up of development capacity, indicates a higher margin is more appropriate, this higher margin should be used.
- PC3: When the evidence base or monitoring obtained in accordance with policies PB1 to PB7 indicates that development capacity is not sufficient in any of the short, medium or long term, local authorities shall respond by:
- a) Providing further development capacity; and
 - b) enabling development

in accordance with policies PA1, PC1 or PC2, and PC4. A response shall be initiated within 12 months.

- PC4: A local authority shall consider all practicable options available to it to provide sufficient development capacity and enable development to meet demand in the short, medium and long term, including:
- a) Changes to plans and regional policy statements, including to the zoning, objectives, policies, rules and overlays that apply in both existing urban environments and greenfield areas;
 - b) Integrated and coordinated consenting processes that facilitate development; and
 - c) Statutory tools and other methods available under other legislation.

Minimum targets

Policies PC5 to PC11 apply to all local authorities that have part, or all, of a high-growth urban area within their district or region.

Local authorities that have part, or all, of a medium-growth urban area within their district or region are encouraged to give effect to policies PC5 to PC11.

The application of these policies is not restricted to the boundaries of the urban area.

- PC5: Regional councils shall set minimum targets for sufficient, feasible development capacity for housing, in accordance with the relevant assessment under policy PB1 and with policies PA1 and PC1 or PC2, and incorporate these minimum targets into the relevant regional policy statement.
- PC6: A regional council's minimum targets set under policy PC5 shall be set for the medium and long term, and shall be reviewed every three years.
- PC7: When the relevant assessment required under policy PB1 shows that the minimum targets set in the regional policy statement are not sufficient, regional councils shall revise those minimum targets in accordance with policies PC5, and shall incorporate these revised targets into its regional policy statement.
- PC8: Regional councils shall amend their proposed and operative regional policy statements to give effect to policies PC5 to PC7 in accordance with section 55(2A) of the Act without using the process in Schedule 1 of the Act.
- PC9: Territorial authorities shall set minimum targets for sufficient, feasible development capacity for housing, as a portion of the regional minimum target, in accordance with the relevant assessment under policy PB1, and with policies PA1, PC1 or PC2, and PD3 and incorporate the minimum targets as an objective into the relevant plan.
- PC10: If a minimum target set in a regional policy statement is revised, the relevant territorial authorities shall also revise the minimum targets in their plans in accordance with policy PC9.
- PC11: Territorial authorities shall amend their relevant plans to give effect to policies PC9 and PC10 in accordance with section 55(2A) of the Act without using the process in Schedule 1 of the Act.

Note that using section 55(2A) of the Act for policies PC8 and PC11 only applies to setting minimum targets and not to plan changes that give effect to those minimum targets.

Future development strategy

Policies PC12 to PC14 apply to all local authorities that have part, or all, of a high-growth urban area within their district or region.

Local authorities that have part, or all, of a medium-growth urban area within their district or region are encouraged to give effect to policies PC12 to PC14

The application of these policies is not restricted to the boundaries of the urban area.

PC12: Local authorities shall produce a future development strategy which demonstrates that there will be sufficient, feasible development capacity in the medium and long term. This strategy will also set out how the minimum targets set in accordance with policies PC5 and PC9 will be met.

PC13: The future development strategy shall:

- a) identify the broad location, timing and sequencing of future development capacity over the long term in future urban environments and intensification opportunities within existing urban environments;
- b) balance the certainty regarding the provision of future urban development with the need to be responsive to demand for such development; and
- c) be informed by the relevant Long Term Plans and Infrastructure Strategies required under the Local Government Act 2002, and any other relevant strategies, plans and documents.

PC14: The future development strategy can be incorporated into a non-statutory document that is not prepared under the Act, including documents and strategies prepared under other legislation. In developing this strategy, local authorities shall:

- a) Undertake a consultation process that complies with:
 - Part 6 of the Local Government Act; or
 - Schedule 1 of the Act;
- b) be informed by the assessment under policy PB1; and
- c) have particular regard to policy PA1.

Coordinated planning evidence and decision-making

Policies PD1 and PD2 apply to all local authorities that have part, or all, of either a medium-growth urban area or high-growth urban area within their district or region.

The application of these policies is not restricted to the boundaries of the urban area.

PD1: Local authorities that share jurisdiction over an urban area are strongly encouraged to work together to implement this national policy statement, having particular regard to cooperating and agreeing upon:

- a) The preparation and content of a joint housing and business development capacity assessment for the purposes of policy PB1; and
- b) The provision and location of sufficient, feasible development capacity required under the policies PA1, PC1 and PC2.

PD2: To achieve integrated land use and infrastructure planning, local authorities shall work with providers of development infrastructure, and other infrastructure, to implement policies PA1 to PA3, PC1 and PC2.

Policies PD3 and PD4 apply to all local authorities that have part, or all, of a high-growth urban area within their district or region.

Policy PD3 a) applies to all local authorities that have part, or all, of a medium-growth urban area within their district or region and choose to set minimum targets under policies PC5 to PC11.

PD3 b) and PD4 apply to all local authorities that have part, or all, of a medium-growth urban area within their district or region and choose to prepare a future development strategy under policies PC12 to PC14.

The application of these policies is not restricted to the boundaries of the urban area.

PD3: Local authorities that share jurisdiction over an urban area are strongly encouraged to collaborate and cooperate to agree upon:

- a) The specification of the minimum targets required under PC5 and PC9 and their review under policies PC6, PC7 and PC10; and
- b) The development of a joint future development strategy for the purposes of policies PC12 to PC14.

PD4: Local authorities shall work with providers of development infrastructure, and other infrastructure, in preparing a future development strategy under policy PC12.

Timeframes to implement this national policy statement

The timeframes for giving effect to particular policies in this national policy statement are as follows.

Objectives OA1 to OD2, policies PA1 to PA4 (outcomes for planning decisions), policies PC1 to PC4 (responsive planning) and policies PD1 to PD4 (coordinated planning evidence and decision-making) must be given effect immediately.

Local authorities that have part or all of either a medium-growth urban area or a high-growth urban area within their district or region shall begin to monitor indicators under policy PB6 within 6 months of this NPS coming into effect.

Local authorities that have part or all of either a medium-growth urban area or a high-growth urban area within their district or region shall begin to use indicators of price inefficiency under policy PB7 by 31 December 2017.

Local authorities that have part or all of a high-growth urban area within their district or region shall have completed the housing and business development capacity assessment under policy PB1 by 31 December 2017.

Local authorities that have part or all of a medium-growth urban area within their district or region shall have completed the housing and business development capacity assessment under policy PB1 by 31 December 2018.

Local authorities that have part or all of a high-growth urban area within their district or region shall have produced the future development strategy under policies PC12 to PC14 by 31 December 2018.

Local authorities that have part or all of a high-growth urban area within their district or region shall have set minimum targets in their relevant plan or regional policy statement under policies PC5 and PC9 by 31 December 2018.

Local authorities with part or all of an urban area in their district or region that, through revisions to the Statistics New Zealand medium urban area population projections for 2013(base)-2023, comes to be defined as either a medium-growth urban area or a high-growth urban area, shall give effect to the requirements by the dates set out above with the following exceptions:

- Local authorities with part or all of an urban area in their district or region that is newly classified as a medium-growth urban area shall begin monitoring indicators under policy PB6 and using indicators of price efficiency under policy PB7 by 31 March 2018.
- Local authorities with part or all of an urban area in their district or region that is newly classified as a high-growth urban area shall complete the housing and business development capacity assessment under policy PB1 by 30 June 2018.

Review of this national policy statement

The Minister for the Environment intends to review and amend the definitions of high-growth urban area and medium-growth urban area no later than 31 December 2018.

The Minister for the Environment intends to review the implementation and effectiveness of this national policy statement in achieving all its objectives and policies and in achieving the purpose of the Act, no later than 31 December 2021. The Minister shall then consider the need to review, change or revoke this national policy statement.

Regulatory impact statement

The Ministry for the Environment produced a regulatory impact statement on 29 September 2016 to help inform the decisions taken by the Government relating to the contents of this instrument.

A copy of this regulatory impact statement can be found at:

- <http://www.mfe.govt.nz/more/cabinet-papers-and-related-material-search/regulatory-impact-statements/ris-proposed-nps-urban>
- <http://www.treasury.govt.nz/publications/informationreleases/ris>