

Greater Christchurch Urban Development Strategy

Submission by the

Greater Christchurch Urban Development Strategy Partnership on

The Proposed National Policy Statement on Urban Development Capacity
Consultation Document (June 2016)

July 2016

New Zealand Government



Proposed National Policy Statement
on Urban Development Capacity
CONSULTATION DOCUMENT

To:

NPS Urban Development
Ministry for the Environment
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Name of Submitter:

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c/o Bill Wasley: Independent Chair

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Submission:

This is the Greater Christchurch Urban Development Strategy (UDS) Partnership's submission on the Proposed National Policy Statement on Urban Development Capacity consultation document (June 2016). The content of the submission follows overleaf.

Submissions from the Canterbury Mayoral Forum and individual UDS Partners are also being made and cover matters specific to their respective role and functions.

The UDS Partnership would welcome the opportunity for further discussion with the Ministry ahead of the release of a final National Policy Statement.

Signed:

A handwritten signature in black ink, appearing to read 'Bill Wasley', written in a cursive style.

Bill Wasley
Independent Chair
Greater Christchurch Urban Development Strategy Implementation Committee

Summary

1. In preparing this submission the UDS Partnership has worked with the Canterbury Mayoral Forum and broadly supports the submission points made within its submission.
2. The UDS Partnership is not averse to national guidance on the enablement of urban development capacity becoming formalised through a National Policy Statement, subject to the modifications and provisos outlined in this submission.
3. The view of the UDS Partnership is that through its existing collaborative arrangements the requirements of the pNPS are by and large already being undertaken and the desired outcomes achieved.
4. The NPS should allow for the boundaries of sub-regional spatial plans, such as the Greater Christchurch UDS area to be used to determine the areas to which the medium and high growth definitions apply.
5. The NPS should require housing and business land assessments to be undertaken "at least every five years", ideally to coincide with key population and household data releases from Statistics NZ arising from the NZ Census.
6. In relation to Policy PB5, the responsibility for local authorities to monitor a range of indicators should be facilitated by relevant Government departments and agencies.
7. Urgent guidance on the proposed land release and intensification strategy is required.
8. A more streamlined approach is required, where issues are still debated but only once rather than under each statute and at each level of decision making.
9. While better understanding short term market trends, councils must still be able to objectively manage long-term growth and development needs in a sustainable manner
10. The UDS Partnership seeks additional text included in the NPS to confirm that the requirements of Policy PD5 does not challenge the ability for regional councils to include further provisions and different mechanisms as necessary to sustainably manage urban development
11. The UDS Partnership urges Government to work with councils and others to establish a collaborative forum that promotes a broader suite of actions covering legislative amendments, fiscal regimes, and other mechanisms that can contribute to sustainable urban development outcomes.
12. UDS Partners would welcome further guidance on aspects of the NPS and are keen to support the preparation of this material as Greater Christchurch has experience that could be valuable for other areas to learn from.

Introduction

This submission on the proposed National Policy Statement on Urban Development Capacity (pNPS) is on behalf of the Greater Christchurch Urban Development Strategy Partnership (“the UDS Partnership”). The UDS Partnership is a voluntary collaborative initiative established over a decade ago. The Partnership has endured through four triennium periods, and continues to grow and demonstrate strong local leadership.

The Strategy is overseen by the Implementation Committee (“the UDSIC”), a joint committee comprising Environment Canterbury (ECan), Christchurch City Council (CCC), Selwyn District Council (SDC), Waimakariri District Council (WDC), and Te Rūnanga o Ngāi Tahu (TRoNT), as well as the New Zealand Transport Agency (NZTA), the Canterbury District Health Board (CDHB), and the new DPMC Greater Christchurch Group all in an observer capacity.

The Strategy outlines a 35 year growth management and implementation plan for the Greater Christchurch sub-region¹ and has been a key source document in the development of recovery strategies, plans and programmes under the Canterbury Earthquake Recovery Act (CER Act). The UDS Strategy has very recently been updated to incorporate and fully reflect local circumstances as the sub-region moves into a new phase of development and regeneration, assisted by the Greater Christchurch Regeneration Act (2016).

Greater Christchurch and the UDS

Greater Christchurch is the largest urbanised area in the South Island. Historically, the Greater Christchurch sub-region has grown in a more dispersed form leading to a number of negative environmental and community outcomes. There was a desire to more sustainably manage future growth across the sub-region. This resulted in collaboration by local government in the sub-region to establish a growth management strategy for Greater Christchurch.

Strategy focus

An important feature of the UDS is to provide a sustainable urban form and protect the peripheral rural communities that lie close to Christchurch City. The vision for Greater Christchurch by the year 2041 is for a vibrant inner city and suburban centres surrounded by thriving rural communities and towns. Part of this vision is the implementation of an integrated planning process for growth management supported by the efficient and sustainable delivery of new infrastructure.

The UDS adopts an integrated and collaborative growth management approach which moves away from low-density suburban residential development in greenfields areas to supporting a more compact and balanced urban form that enhances both urban and rural living. It considers the complexity and inter-relationships of issues around land-use, transport, and infrastructure including community facilities, while incorporating social, health, cultural, economic and environmental values.

¹ *The Greater Christchurch sub-region covers the eastern parts of Waimakariri and Selwyn District Councils and the metropolitan area of Christchurch City Council, including the Whakaraupō/Lyttelton Harbour. This is a smaller geographical area than the full extent of the three territorial authorities.*

The UDS, Recovery and Regeneration

The recovery of Greater Christchurch from the earthquakes of 2010 and 2011 has necessitated widespread review of the strategies, plans and programmes that existed pre-earthquakes. In the context of land-use planning the three principal documents prepared under the CER Act were the *Recovery Strategy for Greater Christchurch*, the *Christchurch Central Recovery Plan* (CCRP), and the *Land Use Recovery Plan* (LURP). The latter Recovery Plan directly, or subsequently through statutory direction, made significant amendments to regional and territorial authority plans. These included in particular:

- § inserting a new chapter within the Canterbury Regional Policy Statement (CRPS) to provide greater planning certainty and enable the recovery and rebuilding of Greater Christchurch
- § accelerating the provision of additional residential and business development capacity through rezoning of greenfield priority areas and provisions to enable greater levels of intensification
- § confirming and expediting Christchurch City Council's intention to undertake a full review of its City and District Plans into a single replacement plan to comprehensively address resource management recovery needs in Christchurch City.

The fundamental tenets of the UDS have remained relatively unchallenged through the earthquake recovery period. Work undertaken pre-earthquake to implement the principles and vision of the Strategy provided a strong starting point before being reviewed through a post-earthquake lens.

While much of the attention in relation to the UDS, both pre- and post-earthquake has been around its land use planning objectives, the strategy and its collaborative governance arrangements take a much broader view encompassing economic, social, cultural and environmental well-being.

This holistic nature of the UDS Partnership enabled CERA and the Minister for Canterbury Earthquake Recovery to quickly and confidently engage with strategic partners on recovery related matters through the establishment of an advisory committee which mirrored the UDS governance structures.

This next phase of regeneration sees local leadership take a more prominent role, supported by the Greater Christchurch Regeneration Act 2016, the Minister and three new regeneration agencies. As expressed by Dame Jenny Shipley as Chair of the Advisory Board on Transition, the UDS provides both the forum and framework for the collaborative aspects of this period. And it is a period where recovery, regeneration and long-term strategic planning are fundamentally intertwined.

Other Government Initiatives

The Government has and continues to enact a wide programme of reform, at both the national level and specific to Greater Christchurch, that impacts on the Greater Christchurch sub-region, its local authorities and other agencies.

The Resource Legislation Amendment Bill (RLA Bill) and the Productivity Commission's Inquiry into *Better Urban Planning* are two specific initiatives that overlap with the submission points made in this submission.

Such multiple initiatives with different scopes and timeframes create a complex policy environment at a time when all three territorial authorities in Greater Christchurch have district plan reviews underway or planned. Understanding how such review processes could be impacted by reforms requires early and clear communication from Government and a collaborative approach from officials to consider win-win opportunities.

Detailed Submission points:

1.0 Overall intent of the pNPS

The establishment of the UDS Partnership recognised that local housing markets, labour markets and network infrastructure cross political boundaries and require collaborative long-term strategic planning.

The Partnership is confident that through these existing collaborative arrangements and the work of its individual partner councils the requirements outlined in the proposed NPS are largely already being undertaken to varying degrees. Table 1 below gives brief examples of recent work carried out across Greater Christchurch that links to pNPS requirements for high growth areas.

Table 1. Examples of work carried out across Greater Christchurch that link to pNPS requirements

Initiative	Description	Year
UDS	Comprehensive evidence base and community consultation leading to 2041 settlement pattern	2007
Land Use Recovery Plan	Re-appraisal of pre-earthquake UDS work to advance land supply through to 2028, including through RPS provisions identifying locations, densities and targets	2013
Housing Market Assessment	Undertaken as part of development of the LURP to inform housing supply needs	2012
Market segmentation	Studies commissioned by Christchurch City to better understand latent demand for central city living and their preferences and trade-offs	2012-13
Centres Assessment	Undertaken as part of development of the LURP to inform business land supply needs	2012
District Plan Reviews	Undertaken for Christchurch during 2014-16 and planned for Selwyn and Waimakariri districts over the next triennium to provide an enabling regulatory framework	2014+
Housing availability	Regular reporting by councils on housing pipeline from zoned land through to building consents	ongoing
Developer Forums	Regular meeting between councils and developers to input into decision making and share information	ongoing

UDS Partners currently undertake this work, and do so collaboratively where this makes sense, because they choose to and see it as being essential to responsibly and effectively performing their leadership and statutory functions.

The UDS Partnership is not averse to national guidance on the enablement of urban development capacity becoming formalised through a National Policy Statement, subject to the modifications and provisos outlined in this submission.

2.0 Objectives and policies applying to all local authorities

The pNPS Objectives and Policies PA1, PA2 and PA3 would apply to all Canterbury local authorities and so key submission points relating to these provisions are included within the Canterbury Mayoral Forum submission and are broadly supported by the UDS Partnership.

3.0 Problems with using the Main Urban Area (MUA) classification

The pNPS provisions apply progressively as urban areas are identified as experiencing medium and high growth rates (now and into the future). This approach is logical and supported, however the mechanism used to identify the bounds of each housing and labour market is currently flawed and not clearly translated within the policy provisions.

The example map provided in the explanatory text of the consultation document (page 34) shows the Main Urban Area for Christchurch as including Prebbleton (Selwyn District) and Kaiapoi (Waimakariri District). The map is based on an historical and outdated definition of the Christchurch Main Urban Area and no longer corresponds with the main growth areas in the Greater Christchurch sub region.

The UDS Partnership strongly recommends that the Greater Christchurch boundary, as defined in the Strategy and in the Greater Christchurch Regeneration Act 2016, is evidentially a far better definition of the geographic extent of this sub-regional housing and labour market. The UDS area covers a wider area and includes other fast growing urban areas of these two adjacent districts (e.g. respectively Rolleston and Lincoln, and Rangiora).

Use of the Statistics NZ Main Urban Area becomes particularly problematic as it appears to drive the geographic focus of the required housing and business land assessments and the regulatory responses used to ensure sufficient capacity exists for short, medium and long-term development horizons.

There are two options:

i. The NPS allows for the boundaries of sub-regional spatial plans to be used to determine the areas to which the medium and high growth definitions apply (these already exist for all the markets traversing territorial authorities currently identified in the NPS summary document i.e. UDS – Greater Christchurch; SmartGrowth – Bay of Plenty; and FutureProof - Waikato).

or that:

ii. The NPS clearly states that the MUA mechanism is merely there to trigger assessments and responses and that these are at a scale and location determined by the relevant local authorities, with no requirement to necessarily prefer locations within the MUA for any such response.

Option (ii) above is less preferable because using MUA projections may fail to trigger assessments and responses should the highest growth rates exist in urban areas in close proximity to but outside the MUA. Rolleston is a good example of such a high growth urban area outside the current MUA designation for Christchurch. Current projections would also suggest the Christchurch MUA would become a medium growth area after 2023.

Further confusion arises in the pNPS as to whether housing and business land assessments are to be undertaken solely for the MUA within the respective council district area, at a district-wide level, or at some other geographic scale. While Policy PD4 signals councils should not restrict responses to meeting demand to within the MUA, this currently appears only to relate to housing responses and would likely give rise to legal challenge if little of the response was within the MUA. The example of Prebbleton (within the MUA but exhibiting growth constraints) and Rolleston (outside the MUA but its structure plan identifies growth areas potentially through to 2075) demonstrates this point.

The UDS Partnership therefore submits that option (i) above be adopted.

4.0 Frequency and nature of housing and business land assessments

Understanding demographics and market trends and activity is an important element of responsive planning. Most councils impacted by these provisions will already have regular monitoring and reporting mechanisms in place to track consenting, vacant land, and source external data on wider market signals.

The pNPS requirement to undertake more in-depth assessments is accepted as being beneficial to contribute to the evidence base for decision-making. As signalled in Table 1, various assessments have been undertaken over many years to inform planning, such as the LURP and subsequently the Christchurch Replacement District Plan process. However, to carry out such a significant and formal exercise every three years is not supported, especially given that a key data source (NZ Census) is a five-yearly undertaking. A five-yearly period would also better integrate with s35 RMA 1991 statutory reporting requirements.

The NPS should require housing and business land assessments to be undertaken "at least every five years" ideally to coincide with key population and household data releases from Statistics NZ arising from the NZ Census.

Based on the monitoring requirements outlined in Policy PB5 councils will be in the best position to determine whether, and when, more frequent assessments are appropriate. Councils would continue to update assessment information as necessary to inform three-yearly Long Term Plan processes and so expend resources more efficiently than the proposed three-yearly requirement.

It would be useful for the NPS or associated guidance to clarify an expectation that assessments are undertaken collaboratively and that existing assessments that are considered by councils to still remain accurate will contribute to the requirement under Policy PB1 to complete assessments by 2018.

With respect to Policy PB2, reference to and inclusion of a point-in time data set as an Appendix of the NPS is inappropriate and should be deleted. Simple reference to the most recent population and household projections released by Statistics NZ would suffice.

In addition, it is understood that part of the rationale for the NPS and the use of Statistics NZ data is to achieve a level consistency across New Zealand. While this is laudable and using such data provides a useful common baseline, councils should not be beholden to it. If, for instance, there is a clear rationale for using other demographic projections then this should be allowable so long as it is clearly explained through demand assessments and planning responses. This is particularly important for Greater Christchurch where the impacts of the earthquakes have reduced the importance of historical trend data. Deprivation and other socio-economic impacts being identified by local agencies are also currently not well reflected at census area unit and meshblock level. Health, education and wider community services providers are therefore needing to integrate quantitative and qualitative information as part of their strategic planning.

5.0 Monitoring of market response

UDS Partners collate a range of indicator data pertaining to housing and business land, particularly where this is sourced from consenting processes. Some information on market responses, particularly house prices and rents would need to be sourced from third parties, including Government departments and agencies.

A coordinated approach with Government, particularly the Ministry for Business, Innovation and Employment (MBIE) would assist the efficient collation of indicator data. Linking the requirements of Policy PB5 to wider national initiatives such as the government's Open Data initiative and the MfE National Monitoring System should be investigated.

In relation to Policy PB5, the responsibility for local authorities to monitor a range of indicators should be facilitated by relevant Government departments and agencies.

A further useful indicator to be included in the NPS would be a land release indicator, documenting the time periods in between zoning approval and consenting stages. This would be one measure to highlight areas exhibiting potential landbanking by landowners.

6.0 Responsive planning

Councils will likely be unable to act responsively in relation to Policies PD1-4 of the NPS when many of these processes are renowned for taking time to complete in order to effect change.

Local authorities in High Growth Urban Areas must also provide a future land release and intensification strategy (Policies PD7-9). Unlike the assessments required by Policy PB1 there is no further definition of what this strategy is, its legal weight nor the requirements for engagement in its preparation. Urgent guidance on this proposed strategy is therefore essential, especially the provision in Policy PD8 for the strategy to "provide a process for flexible implementation" as this has the potential to undermine the planning certainty benefits that councils, infrastructure providers and communities would expect from such a strategy.

Many high growth areas would consider their growth strategies, prepared under the LGA2002, to mirror the assumed intent of a future land release and intensification strategy. However, experience in Greater Christchurch and elsewhere has shown that embedding such strategies within the statutory RMA documents that guide decision-makers is a complex, costly and lengthy process.

A more streamlined approach is required, where issues are still debated but only once rather than under each statute and at each level of decision making.

Under the current RMA regime this would mean that changes to regional policy statements and district plans should be made without using Schedule 1 of the Act where a growth strategy (or future land release and intensification strategy) is in place and which entailed robust community consultation.

The pNPS also mentions the importance of market competition and market signals. There is a critical difference however between the objective needs and suitable locations to support the market and the views of private sector companies who might be landowners, developers and builders – all of whom will have determined what their product offer is and where they want to supply it. It is important therefore that in understanding short term market trends that councils are still able to objectively manage long-term growth and development needs in a sustainable manner. If the NPS forces councils to enable more homogenous unaffordable development in areas simply because they "sold well" when there were few alternatives due to capacity and capability constraints in the sector, the NPS will have failed.

7.0 Requirements of Regional Policy Statements

Regional councils covering high growth urban areas are required under Policy PD5 to amend their RPS to include certain minimum targets relating to the total number and different types of dwelling.

Chapter 6 of the Canterbury RPS does this more implicitly through a strategic framework which:

- § identifies greenfield growth (priority) areas
- § requiring minimum net densities to be achieved in these greenfield areas
- § setting percentage targets of overall growth to be achieved through intensification within the existing urban area
- § Ensuring that the nature, timing and sequencing of new development are co-ordinated with the development, funding, implementation and operation of transport and other infrastructure

The UDS Partnership sees the approach taken in Chapter 6 of the Canterbury RPS as the most appropriate to ensure the provision of sufficient development capacity, manage the integration of land use and infrastructure and deliver good urban form and function outcomes.

The UDS Partnership seeks additional text included in the NPS to confirm that the requirements of Policy PD5 does not challenge the ability for regional councils to include further provisions and different mechanisms as necessary to sustainably manage urban development

Clarity is also needed regarding the extent to which an RPS details the types of dwellings that must be provided for within district plans. If the intention within the pNPS is that this broadly encourages a broad range of housing typologies to meet anticipated demand then that is supported. If it is suggesting the RPS outlines specific targets (either quantum or percentages) for example for 1-Bed, 2-Bed, 3-Bed and 4+Bed dwellings the view is this is unnecessary and best determined by respective territorial authorities in conjunction with developers as development proposals come forward.

8.0 Limited scope of the pNPS

The UDS Partnership has consistently made submissions emphasising that good urban outcomes will not be achieved through regulation alone. A range of statutory and non-statutory mechanisms need to work together to enable, facilitate, incentivise and on occasion compel landowners, developers and councils to achieve the best results for the community as a whole. Rather than outline these points again the Ministry is encouraged to read the previous UDS submissions cited below.

The Minister for the Environment often refers to there being “no silver bullet” when it comes to addressing housing and housing affordability. The UDS Partnership supports that view and, given the scope and purpose of an NPS, recognises that this current initiative is just a part of the solution. What is strongly encouraged therefore is that Government’s efforts on this issue do not end there and also that they are not limited to a narrow focus on housing (and business) land supply, but address wider issues of community wellbeing.

Without promoting wider levers and incentives that can unlock timely development activity there is a real risk that plan-enabled capacity is stymied by market failures elsewhere in the system and that this pNPS then exacerbates the call for ‘more land’ as the way to address unresponsive development processes. Over-provision of plan-enabled capacity does not support efficient infrastructure planning nor will it create sustainable communities.

The UDS Partnership urges Government to work with councils and others to establish a collaborative forum that promotes a broader suite of actions covering legislative amendments, fiscal regimes, and other mechanisms that can contribute to sustainable urban development outcomes, including the sufficient provision of appropriate capacity for housing and business development.

9.0 Links to previous submissions

The UDS Partnership (and/or individual UDS Partners) has made submissions on related consultations including a number of inquiries of the Productivity Commission, the Resource Legislation Amendment Bill, and the LGNZ 'blue skies' discussion document.

Links to UDS submissions to the Productivity Commission inquiries are provided below:

Better Urban Planning (Productivity Commission 2016):

http://christchurch.infocouncil.biz/Open/2016/03/GCUC_20160311_AGN_741_AT.PDF

Using Land for Housing (Productivity Commission 2015):

http://christchurch.infocouncil.biz/Open/2015/08/GCUC_14082015_AGN.PDF

http://christchurch.infocouncil.biz/Open/2015/02/GCUC_13022015_AGN.PDF

<http://www.productivity.govt.nz/sites/default/files/sub-using-land-for-housing-18-greater-christchurch-urban-development-strategy-attachment-one-513Kb.pdf>

Housing Affordability (Productivity Commission 2012):

<http://archived.ccc.govt.nz/council/agendas/2012/march/gcudsic9th/greaterchchudsic9march2012agenda.pdf>

10. Concluding remarks

The UDS Partnership, and its respective Partners, is keen to assist in the production of material in support of this NPS and the wider matters outlined in section 8 and in previous submissions. Greater Christchurch has experience that could be valuable for other areas to learn from.

The Partnership also wishes to congratulate Ministry officials involved in preparing this pNPS on the collaborative and transparent approach that has been taken over the last six months in getting to this stage.