



## Reprioritising the urban work programme to provide resources for work on urban intensification

Date Submitted:	12 April 2021	Tracking #: 2021-B-07846	
Security Level	In confidence	MfE Priority:	Non-Urgent

	<b>Action sought:</b>	<b>Response by:</b>
To Hon David Parker, Minister for the Environment	Provide feedback on recommendations	16 April 2021
To Hon Phil Twyford, Associate Minister for the Environment	Note resourcing needs and risks for work on accelerating upzoning	

Actions for Minister's Office Staff	<b>Return</b> the signed report to MfE.
Number of appendices and attachments 0	Titles of appendices and attachments (ie separate attached documents): Nil

### Ministry for the Environment contacts

Position	Name	Cell phone	1 <sup>st</sup> contact
Director	Lesley Baddon	021 738 357	✓
Deputy Secretary	Janine Smith	021 144 7617	

## Reprioritising the urban work programme to provide resources for work on urban intensification

1. The purpose of this briefing is to set out:
  - the resources needed for new work to increase residential densities provided in council plans for urban areas
  - our proposals to resource the new work by reprioritising and pausing current work
  - the impacts on work programmes for air quality, urban design and the National Policy Statement on Urban Development 2020 (NPS-UD). We understand you (Ministers Parker and Twyford) have discussed and agreed to deprioritise these in principle)
  - the risks of our proposed approach and mitigation measures, which are in summary that we will pause work where there is a statutory or reputational risk of stopping work permanently, and will contract out specific tasks where work has not yet commenced.

*New work on accelerating upzoning will be resource intensive for MfE*

2. Ministers have directed officials to progress new work to increase the density provided in council plans in urban areas for residential development. We have scoped out the resourcing required to progress this work. Should the proposal go ahead, we recommend establishing a team of 10 people including a manager, between now and September 2021 (when it is anticipated that new legislation will be enacted). This resourcing is relatively sparse, assumes a tight scope for the work and does not account for unforeseen issues (eg, issues arising through technical testing and modelling).

*To resource this work, other parts of MfE's urban policy work would need to be paused or contracted out*

3. The urban work programme currently includes air quality, urban design and contributing to resource management reform from an urban perspective. The work programme also includes monitoring and reporting on Auckland planning matters and implementing the NPS-UD with the Ministry for Housing and Urban Development.
4. We understand that you (Ministers Parker and Twyford) have discussed the resourcing needs for the new work and have agreed in principle to pause or contract out work on air quality, urban design, and NPS-UD implementation. The paragraphs below set out how this could work in practice, including which previously planned work would be paused.

*Work on NPS-UD implementation would pause for three months (from Cabinet decisions in May 2021)*

5. The NPS-UD is the primary method in the current resource management system for ensuring at least sufficient development capacity for housing.
6. Evidence suggests that the impacts of the NPS-UD are ground-breaking in how council plans provide development capacity for housing and businesses.
7. The work essential to implementing the NPS-UD reduced after the release of a series of guidance documents in late 2020. However, we expected to increase resourcing to assess the quality of councils' housing and business development capacity assessments, due to be completed in July 2021. We propose to stop work on the NPS-UD for three months from Cabinet decisions in May 2021.
8. This reduction in resourcing has risks, as the quality of the housing and business assessments is critical to achieving the outcomes we are looking for. For this short period,

we will not be able to monitor the councils' performance in terms of intensification outcomes, and will not be able to provide the visibility and support planned as councils move through this important phase of the NPS-UD implementation.

9. The above risks are more likely and will be greater, the longer NPS-UD implementation work is paused. To mitigate this, we propose to bring forward early work on the housing and business assessments and procure external experts who can work while the new work is being progressed, and by ensuring that the three-month pause is not extended.

*We recommend that monitoring and reporting on Auckland planning matters pause for three months (from Cabinet decisions in May 2021)*

10. We propose pausing the Auckland planning work for three months. This means we will pause our active monitoring on implementation of the Auckland Unitary Plan, and will minimise contact with Auckland Council during this period, although we should still be able to maintain a light-handed relationship via the Auckland Policy Office.

*Work on air quality would pause until legislation is enacted in September 2021*

11. We propose moving the current 2.1 FTE allocated to air quality to the new work until September. This means we will not administer the Resource Management (National Environmental Standards on Air Quality) Regulations 2004 (NESAQ) for six months.
12. Pausing this work programme means we will not review the expected updates to the 2012 Health and Air Quality in New Zealand model, and the 2005 World Health Organisation Ambient Air Quality Guidelines until after the new work is complete.
13. We would pause our work on progressing proposed amendments to the NESAQ to better target air pollutants affecting human health. The NESAQ amendments have already been delayed. Further delays may incur reputational risk. This risk may be managed through clear communication to stakeholders, in particular local government.

*We recommend that work on urban design pause legislation is enacted in September 2021*

14. Although Minister Twyford has indicated his preference to create a timeline for scoping work for urban design to support reforms, there is no agreed work programme for urban design and no additional resources have been allocated to progress work on this topic. Pausing officials' work is therefore low risk but will also have limited impact in freeing up resources. However, officials can commission research on this topic to be carried out by a consultant over the next few months. This research can be picked up and a work programme developed when work on urban design starts again.

*We are likely to need additional resources in the short term*

15. Deprioritising the work outlined above will go some way to addressing the resourcing needs of the new work, but will not completely address them. To fill resourcing gaps, if this work proceeds, we would bring in contractors. We do not anticipate needing increased funding to do this in the short term. We may need to make further changes if these actions are not sufficient.
16. As mentioned earlier, we have scoped up a feasible but economic approach to the work programme. If the work turns out to be more intensive than we anticipate, due to scope changes or unexpected issues arising through consultation then this level of resourcing will not be sufficient.
17. The new work may continue longer than three months from Cabinet decisions (which at this point would be mid-August 2021). If this occurs resources will be needed from elsewhere in the Ministry as there is a significant reputational risk to not implementing the NPS-UD or working on Auckland planning for longer than the time proposed.

## Recommendations

---

18. We recommend that you:

- a. **Agree** that if work on urban intensification proceeds in its anticipated form work on:
- i. NPS-UD implementation will be paused for three months from Cabinet decisions in May 2021  
Yes/No
  - ii. monitoring and reporting on Auckland planning matters will be paused for three months from Cabinet decisions in May 2021  
Yes/No
  - iii. air quality policy will be paused until September 2021 or when legislation is passed  
Yes/No
  - iv. urban design policy will be paused until September 2021 or when legislation is passed  
Yes/No
- b. **Note** that the work programme changes will go some way to addressing the resourcing needs for the urban intensification work, and we will engage contractors to fill remaining resourcing gaps
- c. **Note** the risk that changes to the urban work programme will not be sufficient and we may need to divert resources from the resource management reform programme to support delivery of the urban intensification work.

Signature

---



Lesley Baddon  
Director, Urban and Infrastructure  
Natural and Built System

Hon David Parker  
**Minister for the Environment**

**Date**

Hon Phil Twyford  
**Associate Minister for the Environment**

**Date**

Proactively Released