

2019-B-05810 NPS-UD Cabinet package and consultation approach

Date Submitted	24 July 2019	Tracking #: 2019-B-05810 HUD tracking #: BRF19/20070357
Security Level	In Confidence	MfE Priority: Urgent Due for lodgement with Economic Development Committee on 25 July

	Action sought:	Response by:
To Hon Phil Twyford, Minister for Urban Development	Agree to lodge Cabinet package with Economic Development Committee on 25 July	
To Hon David Parker, Minister for the Environment		

Actions for Minister's Office Staff	Return the signed report to MfE and HUD	
Number of appendices and attachments 3	Titles of appendices and attachments (ie separate attached documents): 1. Draft Cabinet Paper 2. Draft Discussion Document 3. Regulatory Impact Statement 4. Summary of Key Stakeholder Interests	Appendices 1-3 have not been released as their final versions are available on the Ministry for the Environment website

Contacts

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Purpose

- This briefing provides you with an updated Cabinet package seeking approval for public consultation on proposed content for a National Policy Statement on Urban Development (NPS-UD) for lodgement with the Cabinet Economic Development Committee for consideration on 31 July. The package includes the:
 - draft Cabinet paper (appendix 1)
 - discussion document (appendix 2), and
 - regulatory impact statement (appendix 3).
- The briefing also provides a summary of changes made to reflect departmental feedback and our proposed approach to engagement on the proposed NPS-UD.

Advice

The draft Cabinet package has been updated to respond to Ministerial and agency feedback, as well as to clarify intent

3. Ministerial and cross-party feedback has been received from Ministers Shaw and Genter, the Green Party and New Zealand First. You have agreed to our proposed responses to the Green Party feedback and we have incorporated this feedback into the draft Cabinet paper and discussion document where appropriate. This is predominantly in the section on 'removing minimum car parking requirements' in the discussion document (p.39) to respond Minister Genter's feedback.
4. We will provide you with an updated table proposing responses to the New Zealand First feedback, and the feedback received from the Treasury along with talking points to support Minister Twyford at Economic Development Committee on 25 July.
5. We have made some minor wording amendments the discussion document to respond to agency feedback primarily in relation to links to transport choice, and reflecting the purpose of the RMA. We have also made some changes to the draft Cabinet paper to respond to feedback from Te Arawhiti regarding engagement with Māori (paragraphs 35-39).
6. The section on Housing and Business Assessment policy in the discussion document has been removed while officials continue work on these policies with a technical advisory group (see briefing 2019-B-05622 BRF18/19 030194). As previously advised, it is intended that the detail of those proposed policies will be provided in the addendum available shortly after the publication of the discussion document. We have removed this section to avoid confusion, given the consultation period will begin later than initially planned and there is now close alignment between when the discussion document and addendum being published.
7. The draft discussion document will be subject to minor editing before launching public consultation, including adding hyperlinks to external documents for online publication, and a proper cover page.

NPS-UD consultation plan

Overall approach

8. You have agreed to an eight week period of formal public consultation on the NPS-UD, with the release of the discussion document on 12 August and written submissions closing on 4 October (2018-B-05752 / BRF18/19070326 refers). This complies with RMA requirements for consultation and would provide time for local authorities to prepare formal submissions before the local government elections.
9. From July to December, government agencies are intending to conduct consultations on significant policy changes on: climate, land use, freshwater management, waste, biodiversity, air quality and hazardous chemicals. Other environmental initiatives will also be announced during this time.
10. Many of the consultations will require participation from and have an impact on the same stakeholders during what will be a pressured time of year for some groups. As well as iwi/Māori, four specific stakeholder groups will be impacted: local government, the primary sector (farmers, growers and fishers and processors), the business and industry sector, including property and developers and non-government organisations (NGOs).
11. The Ministry for the Environment is coordinating a cross-agency joined-up consultation approach to ensure integrated messaging across the policy proposals and minimise the consultation burden for stakeholders.
12. Some separate more in-depth engagement with key stakeholders on the NPS-UD will also be necessary, building on engagements we have been undertaking to implement the NPS-UDC in the last three years.

Our key stakeholders have different interests in the NPS-UD

13. We have identified six main groups of stakeholders with different interests in the NPS-UD. These are:

- Iwi authorities, hapū and Māori organisations
- Local authorities
- Landowners, developers and housing providers
- Infrastructure providers
- Urban communities
- Businesses

14. Appendix 4 summarises the likely perspectives and interested these stakeholders will have on the NPS-UD. These interests have informed our proposed approach to engagement activities and how we communicate the policy proposals.

Officials have already engaged with some stakeholders

15. Officials have been engaging with various parties, especially local authority officers, on the NPS-UDC and as new NPS-UD policies have been developed. This has included:

- Formal consultation on a draft NPS-UDC during 2016 included face to face meetings with local authorities and sector groups such as LGNZ, NZPI, the NZ Property Council and Infrastructure NZ.
- The development of guidance during 2017 with technical working groups involving local authority officers, property development and other experts.
- Implementation support to the 33 high and medium growth councils since 2017, including face to face meetings, emails, surveys, and written evaluations of their housing and business development capacity assessments.
- Meetings with select stakeholders while drafting new NPS-UD policies since 2018. These have included meetings with Māori technical planning and design experts, LGNZ, and local authority officers. We recently held a medium growth urban areas workshop and are about to host one for high growth urban areas. We have also been working with council experts to develop new housing and business assessment methods.

We plan to engage with various stakeholders during the consultation phase

16. The consultation phase could be launched with either a national media event or Ministerial press release. It would be in addition to the letter/s of notification to iwi authorities and statutory authorities and the notice/s in the public gazette required under the RMA, and would accompany the release of the NPS discussion document/s.

17. Officials will offer face to face meetings with officers from the 21 local authorities in the six major urban centres where the policy statement will have the most impact, as well as with representative organisations such as LGNZ. As noted above, officials are looking to align the NPS-UD consultation process with consultation on other national direction, especially for highly productive land and freshwater management. This will also include hui and public and stakeholder meetings in urban areas.

18. We are also exploring opinion editorial articles and/or pitches to industry and local government publications.

19. Details will be developed further on confirmation of consultation timeframes and scope.

There are options for Ministerial involvement in the consultation

20. As part of the consultation planning we are assessing where and how lead Ministers may want to be involved and are seeking your steer. Ministers could be involved in the consultation in the following ways:

- Signing out a media release launching the consultation/ attending a media event
- Presenting on the NPS-UD (alongside other matters) at pre-existing conferences or meetings such as:
 - i. 15 August H2A inaugural partnership governance meeting in Hamilton
 - ii. 16 August LGNZ metropolitan group meeting
 - iii. 21-23 August Building Nations Symposium hosted by Infrastructure NZ
 - iv. 20 September UGA Ministers meeting with Auckland Council as part of the Auckland Partnership
 - v. 26-27 September RMLA conference
 - vi. 27-30 August National Housing Conference (in Australia – the Prime Minister has been invited to make a key note address)
 - vii. a special meeting of the NZ Property Council's residential development council focused on the NPS-UD.
- Ministers could also have conversations with key influencers in local government or stakeholder groups such as LGNZ, the NZ Planning Institute, Generation Zero and the Resource Reform Coalition (which includes Infrastructure NZ, Property Council, Environmental Defence Society, EMA and Business NZ).

Further advice on consultation

21. We will provide more detailed advice of our plan closer to the formal consultation as background information, and work with your offices to confirm your involvement in engagement activities.

Legal and Financial

22. There are no legal issues associated with this briefing.

Next Steps

23. The following table outlines the next steps in the process.

Step	Dates
Lodgement of Cabinet paper	25 July
Cabinet Economic Development Committee	31 July
Cabinet Consideration	5 August
Consultation period	12 August – 4 October (8 weeks)

Recommendations

24. We recommend that you:

- a. **Note** that:
- a. we have reflected Green Party feedback in the draft discussion document and Cabinet paper where appropriate
 - b. we will provide Minister Twyford with talking points and proposed responses to New Zealand First and the Treasury feedback to support consideration at Economic Development Committee on 25 July
 - c. the draft Cabinet paper, discussion document and regulatory impact statement have been updated to reflect minor wording changes resulting from agency feedback
 - d. the draft Cabinet paper has been amended in response to Te Arawhiti feedback on Māori engagement
- b. **Agree** to lodge the Cabinet paper on 25 July for Cabinet Economic Development Committee consideration on 31 July
- Yes/No
- c. **Agree** that officials work with your offices to confirm engagement and public consultation launch activities

Yes/No

Signature

Liz Moncrieff
**Manager – Natural and Built Systems
Ministry for the Environment**

Caleb Johnstone
**Manager – Market and Supply Responses
Ministry for Housing and Urban Development**

Hon David Parker
Minister for the Environment

Hon Phil Twyford
Minister for Urban Development

Date

Date

Appendix 4: Stakeholder Engagement

Iwi authorities, hapū and Māori organisations:

Iwi authorities will probably want to engage with the wider package of national direction being proposed rather than just the NPS-UD. However, they may have particular interest in how the proposed NPS-UD describes quality urban environments, and the requirement that councils partner with iwi and hapū to identify their resource management issues of concern and aspirations and address them in plans. Some iwi authorities may also have interests as developers. There will also likely be interest in the requirements resulting in affordable homes with good access to jobs, services and amenities.

Local authorities:

The 21 local authorities in the six major urban centres would be most directly affected by the NPS-UD and would have greatest influence on its successful implementation. They will likely have concerns with proposal as it would direct key changes to planning practice and require additional expenditure. Notwithstanding this, the NPS may be welcomed by some councils because it provides increased direction to make difficult decisions (eg, to allow intensification) that would have public benefits but may be unpopular with some of their constituents. Most local authority officers we have been engaging with also say they support the NPS intent to improve urban planning practices.

The 12 remaining high and medium growth councils targeted by the current NPS-UDC may welcome the broader intent of the NPS-UD and its proposal to remove current requirements for them to prepare full housing and business assessments.

Local Government New Zealand has been critical of the current NPS-UDC, particularly the additional burden placed on councils by its evidence and monitoring requirements. It will want to see these criticisms addressed. The NZ Planning Institute and Resource Management Law Association are also important representative groups for local authority planners that will likely make detailed technical submissions supporting some aspects of the proposal and suggesting changes to others.

Land owners, developers and housing providers:

The actions of landowners, developers and housing providers, in taking up the additional development opportunities provided by councils, will determine the ultimate success of the proposal. They may welcome the proposal as it should remove constraints to development. We expect submissions from the Property Council of NZ and possibly organisations such as Communities of Refuge Trust (CORT) Community Housing.

Infrastructure providers:

We anticipate there will be a number of infrastructure and utility providers that will have a strong interest in the NPS UD. The proposal's success depends on them participating in future development strategies and providing infrastructure to support growth. There may be feedback about the financial implications of this and the need for certainty about greenfield expansion. Some may submit individually, whereas others will rely on peak bodies such as Infrastructure NZ.

There may be some government agencies which provide infrastructure that will have an interest and we anticipate that some might provide a submission. These include NZTA, Government's health and education agencies as well as local authorities or their Council Controlled Organisations.

Urban communities:

Urban communities in the major urban centres would be indirectly affected by the proposal when local authorities start to implement it. They may have mixed views about the environmental impact of the proposal. Some existing home owners may perceive a loss of amenity due to new development occurring in their neighbourhood. On the other hand low income households, young people, Māori and future generations could gain access more jobs and services and a better choice and more affordable homes. These groups are traditionally not well represented in consultations on urban planning. We will invite submissions from groups such as the Environmental Defence Society, Generation Zero and Te Matapihi, and can expect a small number of public submissions.

Businesses:

The NPS-UD could indirectly benefit particular types of businesses. In particular, intensification around centres should increase the number and range of workers and customers close to the professional services firms, retail outlets, cafes and restaurants located in these centres. However, it is likely that the main supermarket chains will oppose the policies to remove minimum car parking requirements from district plans. We can expect submissions from them and from Business New Zealand and the Employers and Manufacturers Association.