



Heretaunga Plains Urban
Development Strategy
Implementation Working Group

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NPS Urban Development
Ministry for the Environment
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Submission – Proposed National Policy Statement on Urban Development Capacity

1. Thank you for this opportunity to submit on the proposed National Policy Statement for Urban Development Capacity ('NPSUDC'). This submission is made on behalf of the following five Hawke's Bay councils and the Heretaunga Plains Urban Development Strategy ('HPUDS') Implementation Working Group:
 - a) Central Hawke's Bay District Council
 - b) Hastings District Council
 - c) Hawke's Bay Regional Council
 - d) Napier City Council and
 - e) Wairoa District Council.
2. The five councils support the submission made by Local Government New Zealand. Rather than duplicate much of LGNZ's submission, this submission focuses on several key concerns that the Hawke's Bay councils wish to express.
3. Due to timing of the submission deadline and respective council meeting schedules, this submission has not been formally considered by each of the councils in this instance. However, a draft version of the submission was circulated for feedback prior to finalising and lodgement, amongst mayors, chairs, chief executives and respective members of the HPUDS IWG and HBRC Regional Planning Committee.

INTRODUCTION

4. As five councils serving our communities, we all want our communities to grow, our economies to grow, but in a sustainable and resilient manner. The councils are actively pursuing opportunities to increase employment, increase resident populations, attract tourism, and generate a vibrant economy. By way of example, '[Great things grow here](#)' promotes those efforts. While Statistic NZ's projections of our population growth over the next few decades might be considered low or modest by some, our individual and collective endeavours continue to strive for much more.
5. We support the proposed NPSUDC in terms of its framework and the approach it takes. It is pleasing to see that the policy requirements applicable to issues as those faced in Auckland are not rolled out in a blanket-like fashion across all regions. The proposed approach that some subsets of policies apply

to subsets of local authorities is supported, but with some caveats. In summary, those concerns relate to:

- a) Ambiguity whether or not Hastings and Napier Zones are indeed a 'Medium Growth Urban Area ('MGUA').
- b) MGUA policies requiring HPUDS partner councils to redo what they're already doing.
- c) Lack of recognition of factors that need considering to limit some growth and urban development, such as natural hazards, productive soils, and sequenced infrastructure supply and other RMA Part 2 matters that are influenced by urban form and urban density e.g. Sec 6(b) and Sec 7(b) and (ba).

CENTRAL HAWKE'S BAY DISTRICT AND WAIROA DISTRICT

6. The growth rate figures provided in the Consultation Document mean Wairoa District and Central Hawke's Bay District are subject to all of the proposed NPS's objectives, and only Policies PA1-PA3. We support that approach as it generally reinforces approaches already taken by those councils in planning for growth in their respective major townships of Waipukurau, Waipawa and Wairoa. We would oppose anything imposing more stringent policy requirements for these, and similar, townships.

HERETAUNGA PLAINS URBAN DEVELOPMENT STRATEGY & THE HPUDS IMPLEMENTATION WORKING GROUP

7. The Heretaunga Plains Urban Development Strategy (HPUDS²⁰¹⁰) is the result of a collaborative approach by the Hastings District Council, Napier City Council and Hawke's Bay Regional Council to provide comprehensive, integrated and effective growth management strategy for the Heretaunga Plains sub-region (refer Figure 1) over the 2015 to 2045 period. HPUDS²⁰¹⁰ brought together the separate urban development strategies that both Hastings and Napier had in place from the 1990s through to 2015. HPUDS²⁰¹⁰ takes into account a large number of global, national and local influences including climate change, peak energy, transport efficiency objectives, and national environmental standards plus, at a regional and local level, demographic and employment projections.
8. HPUDS will be adapted to take into account changing circumstances over the 30 year timeframe. The Strategy is intended to adapt to changing trends over time through 5 yearly reviews, which is supported by regular monitoring of supply and demand trends and a range of other factors.

Figure 1: Location Map - Heretaunga Plains sub-region



Figure 2: Napier/Hastings 'Zone' as per proposed NPSUDC



9. One of the goals for preparing the joint urban development strategy was to describe the level of residential and business land growth over the next 30 years and beyond by identifying:
- Where growth will go and desired density
 - What the sequence of development should be and the timetable/or triggers
 - The criteria for establishing the boundaries to urban growth
 - What infrastructure is needed, particularly transportation and drainage
 - The budget implications.
10. HPUDS²⁰¹⁰ is being implemented through a range of activities and planning efforts such as:
- The Hawke’s Bay Regional Policy Statement
 - Hawke’s Bay Regional Land Transport Strategy and Programme, and the New Zealand Transport Agency’s programmes and strategies
 - District plans, policies and bylaws
 - Councils’ Long Term Plans
 - Mana whenua plans and strategies
 - Other partner plans and strategies.
11. The effectiveness of this implementation is being evaluated as part of the 2016 Review.
12. The HPUDS Implementation Working Group is a partnership involving Hastings District Council, Hawke’s Bay Regional Council, Napier City Council and mana whenua of the Heretaunga/Ahuriri area. The Working Group oversees efforts to implement HPUDS²⁰¹⁰. The Working Group is nearing completion of its first regular 5-yearly review of the Strategy and associated implementation during the past five years.¹
13. Preliminary findings from the 2016 Review reveal some interesting facts and figures:
- Total employment** - forecast to increase by approximately 18% between 2015 and 2045.
- Households** - the total number of households in the Heretaunga Plains is projected to increase by 8,014 or 15.7% over the 2015-2045 period.
- Dwellings** - 10,610 additional dwellings are projected to be required in the Heretaunga Plains sub-region over the next 30 years, including a further 4,415 greenfields sites, 5,395 intensification/infill, and 800 rural residential. Papakainga housing is additional to these figures.
- Age Group** - a projected 68% increase in the 65+ population, results in an additional 15,000 people in this age group. Currently 1 in 8 people aged 65+ are over 85 years old; by 2061 that ratio is expected to be 1 in 4.
- Māori** - the Māori population is projected to grow by 25% (7,000 people) by 2045.
- Family trends** –a projected 15% increase in couples without children families by 2031 and rising to 37% by 2045; a 20% fall in two parent families by 2031; a 29% increase in sole person households by 2045.
14. We share this ‘story’ to illustrate that the HPUDS partner councils are indeed already doing great work in providing for the future housing and business land needs of their community – without stern policy directives such as those in the NPSUDC for MGUAs.

¹ The regular 5-yearly interval was deferred to accommodate delays in the 2013 Census being completed due to the Canterbury earthquakes.

Hastings and Napier 'Zones' in NPSUDC

15. In relation to Napier and Hastings, the Consultation Document contains ambiguities which leave it unclear whether Hastings is or is not considered a MGUA.
16. As described above, HPUDS²⁰¹⁰ is a joint strategy for Napier, Hastings and the surrounding area. This recognises the inter-dependencies which exist for residents and workers in and around the twin cities – rather than treating the two urban areas as separate units.
17. According to Appendix 2 of the NPSUDC, the 'Hastings Zone' would be a MGUA, yet when combined with the 'Napier Zone' as has been done in Table 1 of the Consultation Document and in the 2-page Summary Document, projected population growth over the 2013-23 period is 4.9%, meaning the "Napier/Hastings" area is **not** a MGUA. Advice from Sarah Holdem (MFE Senior Policy Analyst) suggests the status in the 2-page Summary Document is the correct status.

Amendment requested

18. *That the NPSUDC be amended to clearly identify the combined Hastings/Napier Zone as not being a Medium Growth Urban Area.*

Frequency of population growth re-projections and implications for Hastings and Napier 'Zones'

19. The NPSUDC's proposed policies are structured according to population growth rates projected by Statistics NZ. Depending on the outputs from Statistics NZ's future re-projections, places such as Blenheim and the Napier/Hastings Zones could face an unnecessary yo-yo effect of being over or below a 5% threshold of forecast 10 year population growth. The implications of one re-forecast to the next could present swings in policy requirements that the Hastings, Napier and Hawke's Bay Regional councils would have to give effect to. For example, the HPUDS partner councils already have a 5-yearly review programme in place. However, if any one of Statistics NZ's re-projections were to reclassify the Hastings/Napier Zone as a MGUA, then the councils would need to ramp that up to 3-yearly housing and business land needs assessments, with the first assessment to be done within 12 months of becoming a MGUA. These wild swings would present challenges for those councils' long term planning and resource budgeting decisions.
20. Notwithstanding the undesirable yo-yo effect, we strongly argue that the HPUDS partner councils are already taking action which amounts to many of the requirements proposed to be placed on councils with a MGUA classification. As outlined above, HPUDS is a joint strategy that is already in place for coordinated management of urban development within the Heretaunga Plains sub-region (i.e. a similar extent to the Napier/Hastings Zone).
21. Over the last few years, implementation of HPUDS has already seen amendments to the Regional Policy Statement (by way of plan 'Change 4') and amendments to both the Hastings and Napier district plans. In addition to those RMA planning documents, the councils have taken steps to align their respective 30-year Infrastructure Strategies and Long Term Plans with the projected needs for housing and business land. A lot of that effort already goes a long way to fulfilling Policies PB1 to PD4, but without having been 'officially' classified as a MGUA. This clearly signals that the HPUDS partner councils are already actively providing for sufficient capacity for medium and longer term housing needs and business land projections in their relevant regional and district planning documents.
22. The 2016 HPUDS 5-year review process is nearing its conclusion and has involved a variety of consulting specialist services that are not within the partner councils' capabilities. Those consultancy services have amounted to approximately \$100,000 to date. This does not include council staff time. With this real-world experience, we are acutely aware that Policy PB1 (for MGUAs) would likely require at least a similar magnitude of expenditure every three years, whereas the HPUDS partners have already programmed 5-yearly reviews.

23. One possible option to avoid yo-yo effect and implications of being potentially classed as a MGUA at some uncertain point in the future, is for the NPSUDC to feature the ability for a council or councils to apply to the Minister for an exemption to any of the NPSUDC's policy requirements. We note that a precedent for a similar exemption process already exists in relation to Appendices 3 and 4 of the NPS for Freshwater Management 2014.
24. We do consider that it would be important for uptake and remaining capacity to be monitored on an annual basis in order to ensure infrastructure programming can remain aligned with market fluctuations and economic cycles.

Amendments requested

25. *That the MGUAs are not re-classified in the NPSUDC every three years (or at some similar frequency) according to a timetable of StatisticsNZ refreshing projections.*
26. *Include new provisions to incorporate an exemption process whereby a local authority can apply to the Minister to avoid the need to give effect to policies triggered by the 5% projected growth threshold. The criteria to determine the application could be that Objective OA2 is already achieved through current regional and/or district planning documents; formal partnerships and strategies for managing urban development; active monitoring and review programmes, and so on.*

Lack of consideration of key constraints to potential urban development

27. The general tenor of the proposed NPSUDC appears to enable and ensure sufficient residential and business land development capacity exists in urban areas to meet demand, not only in terms of total supply, but also locations, types and price points. Notwithstanding the difficulties and associated costs with such a fine-grained projection of demand (considerable guidance will need to be developed to give effect to this), as currently proposed, the NPSUDC does not require consideration to be given to some matters that we think are fundamental to sustainable and resilient urban development and which underpin the HPUDS approach in the Heretaunga Plains sub-region. We think the NPSUDC's policies should at least include consideration of:
 - a) Productive/versatile soils under pressure from urban development; and
 - b) the avoidance or mitigation of natural hazards.
28. Both of these matters are cornerstones to HPUDS' approach to managing urban development within the Heretaunga Plains sub-region. The Plains' productive/versatile soils are highly valued locally and nationally for food, fibre and beverage production. The settlement pattern (featuring intensification within existing urban areas and some new greenfield growth areas) is a reflection of our community's preference to protect the highly valued productive capability of soils on the Heretaunga Plains.
29. A further underpinning factor is a desire to promote a more efficient urban form that makes better use of natural and physical resources (e.g. infrastructure and redevelopment of older housing stock) and more sustainable lower energy transport options. The focus appears to be on meeting market demand (locations, types and price points), rather than housing demand for suitable housing options for a changing demographic, or a desire from communities to determine an urban form appropriate to their local geography and broader sustainable management objectives recognised in Part 2 of the Act, e.g. efficient use of resources and energy.
30. HPUDS for example, in recognition of all these elements aims to affect a change in the nature of housing supply over time by transitioning away from an emphasis on larger homes on greenfield sites to redevelopment of older housing stock to higher densities, while still maintaining market choice. Other communities with younger but at capacity infrastructure, constrained topography, low intensity rural surrounds or the presence of hazards (including sea level rise), may tend toward a more expansionist approach.

31. Without some clarity about the ability for planning strategies to account for these other matters, and incentivising changes in demand preferences over time, we expect the NPSUDC to give rise to more, rather than less, potential for litigation.

Amendment requested

32. *Include a new provision that recognises circumstances where urban development might need to be limited due to constraints posed by natural hazards, highly productive/versatile soils and other highly valued areas, or to achieve other important Part 2 matters.*
33. We thank the Ministry for the opportunity to make comments on the Consultation Document.
34. The contact person as an address for service in relation to this submission is:

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