

[Proposed NPS on Urban Development Capacity \(Consultation Document, June 2015\) - Draft table of suggested submission points](#)

Topic	Issue	Suggested submission points
<b>Purpose</b>	The Proposed NPS has arisen out of significant increases to the price of housing/land. Whilst zoned land supply is definitely a factor in land prices, the Proposed NPS over simplifies the economic influence of land zoning to the resulting price of housing, without addressing other non-RMA elements affecting land supply (such as landbanking, loss of housing to visitor accommodation, building costs, availability of land, restrictive land covenants, in addition to wider economic drivers of low interest rates and tax free gains on investment).	<ul style="list-style-type: none"> <li>• Consideration is needed to non-RMA methods to address economic influences to land supply – the failure of the Proposed NPS to address land banking and who pays for necessary infrastructure means the NPS is unlikely to make a great difference to Queenstown.</li> <li>• Proposed NPS has an inbuilt preference for uncontrolled growth - the policy framework should recognise that the ongoing provision of capacity may not be appropriate or desired in all circumstances.</li> </ul>
<b>Infrastructure</b>	The Proposed NPS does not address the cost and who pays for the infrastructure to service new zoned land that may have to be provided. Particularly non-sequential development. Fails to recognise decisions around the funding and timing of infrastructure are made under the LGA through Annual and Long Term Plans and this NPS is being developed in isolation from that political process.	<ul style="list-style-type: none"> <li>• Consideration is needed to the processes required to plan and fund new infrastructure, and the costs of providing infrastructure at increasing distances from existing urban areas.</li> </ul>
<b>Provision of “sufficient” capacity</b>	There are significant risks to the economy of potential unlimited sprawl and growth resulting from impacts to the Districts landscapes which draw tourists to the region. Whilst there may be a development need, the requirement for continuous over supply is not appropriate in a sensitive environment (Queenstown is the	<ul style="list-style-type: none"> <li>• No guidance as to the merits of intensification versus greenfield expansion in meeting capacity</li> <li>• No consideration to economic risks on local, regional and national scales of</li> </ul>

	<p>'jewel' in the tourism crown) nor should it be mandatory in all circumstances. The Proposed NPS also does not address wider place-making objectives for new urban areas.</p> <p>Business land is treated in the same manner as Residential land in terms of provision of land capacity. Whilst business land is understood to be relevant to the consideration of the locations and need for housing, it is considered that it should not be supplied to the market in the same manner, and has effects which warrant consideration under the District Plan frameworks.</p>	<p>uncontrolled land release simply to meet demand, or the effects of land release on artificially creating demand (including speculation influencing demand).</p> <ul style="list-style-type: none"> <li>• Is this NPS creating a significant monitoring/reporting burden without providing any practical benefit?</li> <li>• Policies should be included that encourage development close to where people live work and play.</li> </ul>
<p><b>Availability &amp; affordability of land</b></p>	<p>QLDC's dwelling capacity model indicates that there is existing capacity of 17,000 sections/dwellings in the Wakatipu under the Operative District Plan. The Proposed District Plan is estimated to increase capacity by between 3,000 to 5,000 additional dwellings through increased densities, new zones, and less rules. However experience indicates that just because the land is zoned does not mean it is available, or affordable.</p> <p>The NPS does not address competition – only supply. Even if greenfield land supply is released by a Council under the NPS, it is likely to be at the hands of one or a few landowners, who can still landbank, and stage subdivision development to achieve the best financial returns.</p>	<ul style="list-style-type: none"> <li>• Experience indicates that just because the capacity exists does not mean it is available, or affordable.</li> <li>• NPS does not address competition</li> <li>• What methods are proposed to ensure the timing of development once land is released/rezoned?</li> <li>• How can a District Plan require developers to provide housing at certain price points?</li> <li>• The NPS would be more effective by requiring Councils to ensure supply is held in multiple hands so that a small number of landowners cannot control the release of land to keep prices high.</li> </ul>
<p><b>Compliance/ monitoring burden and associated financial costs to council</b></p>	<p>The Proposed NPS, if implemented, will create a considerable additional workload for Council. Queenstown, unlike other high growth areas does not have as large rating base (just 30,000 permanent residents) to derive funding from.</p>	<ul style="list-style-type: none"> <li>• Cost implications of compliance</li> <li>• Consideration to funding arrangements associated with implementation</li> </ul>

<p><b>Duplication of ORC/QLDC requirements</b></p>	<ul style="list-style-type: none"> <li>• The NPS requires complete duplication of requirements by regional and district councils, which is unnecessary and is not an efficient use of ratepayers funding.</li> <li>• The Otago Regional Council does not have overlapping high growth areas within its region that would warrant integration.</li> <li>• QLDC is best placed to understand the complexities of the local housing market and to undertake assessments under the NPS. Requiring the regional council to do the same only leads to duplication of effort and potential inconsistencies which may result in delays in achieving results under the NPS, and leaves room for challenge.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with the NPS should remain the responsibility of QLDC only.</li> </ul>
<p><b>Future Land Release and Intensification Strategy</b></p>	<p>PD7 of the Proposed NPS requires preparation of a ‘future land release and intensification strategy’ to sit alongside and inform district plans, and must demonstrate sufficient land capacity over the medium (10 years) and long terms (30 years).</p> <p>Determination of methods to provide the necessary capacity over such long time periods is a considerable task which may lead to inaccuracies in predictions, and decisions that are based on assumptions around future growth.</p>	<ul style="list-style-type: none"> <li>• Additional compliance burden for Councils.</li> <li>• Future Land Release and Intensification Strategy should be limited to short term demand. Trying to strategise land release over the long term (30 year) timeframe may lead to considerable inaccuracies.</li> </ul>
<p><b>RMA/Plan Making processes, and potential duplication with RMA reforms</b></p>	<p>The process for updating District Plans will remain lengthy and expensive, and subject to de novo appeals where the whole process starts again, never mind how robust the local hearing was.</p> <p>The Proposed NPS, to be adequately implemented in terms of “responsive planning” requires support by the RMA planning framework to readily enable supply. RMA plan change processes and appeal rights result in significant delays (years) to the release of land.</p> <p>Even under the current proposed RMA amendments, the</p>	<ul style="list-style-type: none"> <li>• Plan making processes and the RMA framework should be aligned to the requirements of the Proposed NPS to enable “responsive planning”.</li> <li>• Is the Proposed NPS necessary given proposed amendments to the RMA to refer to affordable housing?</li> </ul>

	<p>proposed 'streamlined' plan making process would presumably not apply, as it can only be used if the local authority "<i>is able to identify all the persons directly affected by the proposed change</i>".</p> <p>Proposed RMA amendments seek to add greater weight to the consideration of land supply and it is questionable whether another layer of policy via the Proposed NPS is necessary.</p>	
<b>QLDC measures to increase housing supply</b>	<p>QLDC is already delivering a range of methods to increase capacity, including:</p> <ul style="list-style-type: none"> <li>• SHA's</li> <li>• Plan Changes</li> <li>• Proposed District Plan (increased densities, possible rezoning)</li> <li>• Rating mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Is the NPS providing a benefit over and above the measures councils are already taking to provide development capacity?</li> </ul>
<b>Visitor accommodation and demand for housing</b>	<ul style="list-style-type: none"> <li>• No guidance as to whether visitor accommodation should be included in the Housing Assessment</li> <li>• No tools to consider impact of unoccupied dwellings on housing supply and affordability</li> </ul>	<ul style="list-style-type: none"> <li>• Queenstown presents its own unique issues in balancing resident and visitor demand, and the Proposed NPS should acknowledge these, rather than relying on developable land capacity to solve all issues.</li> </ul>
<b>Other submission points</b>	<ul style="list-style-type: none"> <li>• Clarify application that Proposed NPS applies to Wakatipu only, and how population projections/definitions to discrete areas of a district.</li> <li>• Lack of consistent methodology for assessing capacity will result in significant differences in calculations across LGA's</li> <li>• Is the information required to deliver housing and business assessments readily available (eg. house prices, income levels, vacancy rates, value of improvements).</li> <li>• Lack of attention to the cost of construction/building which is significantly higher in New Zealand than other countries</li> <li>• Proposed NPS/RMA should consider ability to remove legal instruments which prevent intensification (eg land covenants)</li> <li>• Preamble – clarify reference to cities as being more than 30,000 people. This is misleading and would suggest that Queenstown should be a "main urban area".</li> </ul>	

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|  | <ul style="list-style-type: none"><li>• Appendix 2 – Queenstown is not listed.</li><li>• Appendix 2 - Stats NZ projections are updated yearly, and the NPS policy requires consideration to the most recent figures, therefore Appendix 2 is not necessary and will be quickly outdated.</li></ul> |
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