

- Addressing Climate Change.

The proposed objectives of the NPS-UD are listed in section 7.2 below. The objectives have been identified through research, consultation, testing and analysis and are considered to be the reasonably practicable options for providing national direction to local authorities in such a way that achieves the purpose and principles of the RMA.

## 7.2 Evaluation of Objectives

Table 1 below provides an evaluation of each proposed objective in relation to its relevance, usefulness, reasonableness and achievability. Although each objective has been considered individually below, a section 32 encourages a holistic approach to assessing objectives. This recognises that objectives often work together, interrelate and have overlapping ways of achieving the purpose of the RMA.

In considering the objectives as a whole, the following conclusions from the evaluation are made:

- The proposed objectives are considered to be relevant, useful, reasonable and achievable.
- The suite of objectives focuses on the role of the planning system in enabling growth and regulating land use in urban areas. They aim to enable growth by requiring local authorities to provide development capacity to meet the diverse demands of communities, address unnecessary regulatory constraints, and encourage well-functioning urban environments;
- The objectives set outcomes to ensure growth is strategically planned and will lead to well-functioning cities that contribute positively to people's well-being;
- The objectives support quality, liveable and well-functioning urban environments in a way that avoids or mitigates adverse effects on the environment. As such, they are considered to achieve the sustainable management purpose of the RMA;

Therefore, the proposed objectives are considered to be the most appropriate way to achieve the purpose of the NPS-UD. They are considered to be practical and achievable, and they represent the expectations of the public, stakeholders and Iwi in regard to urban development.

Table 1: Evaluation of Objectives

**Objective O1: New Zealand has well-functioning urban environments that enable all people and communities to provide for their social, economic and cultural well-being, and for their health and safety, now and into the future.**

### **Relevance**

This objective recognises the importance for local authorities to provide for better wellbeing outcomes for people and communities through requiring well-functioning and liveable urban environments.

This objective has direct relevance to Part 2, Section 5(2) of the RMA, in relation to promoting the sustainable management of natural and physical resources in a way which enables people and communities to provide for their social, economic and cultural well-being over time – in particular to meet the reasonably foreseeable needs of future generations.

This objective will also assist local authorities to manage the use, development, and protection of natural and physical resources while having particular regard to “the efficient use and development of natural and physical resources”, “the maintenance and enhancement of the quality of the environment” and the “maintenance and enhancement of amenity values”, as required under section 7(b), 7(f) and 7(c) of the RMA respectively.

### **Usefulness**

This objective clearly states the environmental outcomes sought for the development of urban environments. This is to enable current and future generations to provide for their social, cultural and economic “well-being”. The objective further directs decision-makers to consider the needs of future generations. This provides additional emphasis, and a clear linkage, to Section 5(2) of the RMA direction in relation to “the reasonably foreseeable needs of future generations”, and appropriately weights that alongside Section 7(f) of the RMA direction which relates to “the maintenance and enhancement of the quality of the environment”.

### **Reasonableness**

This objective recognises the complexity around defining a ‘well-functioning’ urban environment and recognises that urban development will need to ensure all people, whānau, communities and future generations are able to provide for their “well-being”. Costs for local authorities to undertake the consultation required by Future Development Strategies are expected to be up to \$2 million (every three years) and between \$150,000 - \$300,000 for the first year of reporting required by Housing and Business Assessments. However, these costs are anticipated to decline as compliance becomes routinised. Other costs on communities (and local authorities) are from the typical regulatory and compliance costs – which are anticipated in any case. Overall, the objective is not anticipated to impose any unreasonable costs (balancing the costs needed to understand and provide for the wellbeing of people, communities and whanau and the positive outcomes achieved by doing this). Benefits include:

- avoiding premature redevelopment of high-potential development areas
- lowering average infrastructure cost per household through enhancing the effectiveness of intensification and responsive development.

### **Achievability**

This objective is considered to be readily achievable and implementable within the functions and expertise of local authorities. The policy requirements which flow from the objective provide the ability for Regional Councils and territorial authorities to update their respective Regional Policy Statements and District Plans in order to successfully implement the intent of the objective.

## Objective O2: Planning decisions improve housing affordability by supporting competitive land and development markets.

### **Relevance**

This objective relates directly to a specified resource management issues: the ability of people to provide for their social and economic well-being through access to housing and through appropriate management of land resources (urban capacity and land supply) to address issues of housing affordability for people and communities. As such, it has the potential to contribute to people's well-being by addressing the issue of housing affordability by requiring that local authorities make decisions that provide for competitive land and development markets.

This objective has direct relevance to Part 2, Section 5(2) of the RMA, in relation to promoting the sustainable management of natural and physical resources (in this case urban capacity and land supply). The objective will assist local authorities to “manage the use, development, and protection of natural and physical resources” (being housing and urban land), while also having particular regard to the efficient use and development of these (section 7(b) of the RMA) by making decisions that reflect the importance of competitive land and development markets as an issue that impacts on housing resources.

### **Usefulness**

This objective clearly states the expectations on local authorities to improve housing affordability, by ensuring that land supply is appropriate to enable housing and land and development markets to remain competitive. The objective acknowledges that local authorities cannot address all issues of housing affordability and is useful as it focuses the requirements on them in this regard.

The objective will enable local authorities to carry out their statutory functions under sections 30-31 of the RMA as well as under sections 62 (contents of Regional Policy Statements) and 75 (contents of District Plans), by requiring them to provide sufficient development capacity to support competitive land and development markets.

### **Reasonableness**

This objective recognises the dynamics around demand for housing and development land and ensures that decisions by local authorities in respect of the provision of development capacity in urban environments is sufficient to maintain market competitiveness. This will require Council's to consider more than just the 'sufficiency' of physical housing capacity but also the availability of that capacity to maintain competitiveness in housing and development markets. This will increase monitoring requirements for Council. This objective will potentially impose costs in respect of planning (and the increased demand for some redundancy in additional supply margins to accommodate market competitiveness), in respect of infrastructure investment requirements and in respect of monitoring (both demand and market competitiveness).

The CBA from Price Waterhouse Cooper provides further assessment of potential infrastructure costs (albeit not specific to the infrastructure investment but rather in the context of a per house unit evaluation). This factor is not considered an unreasonable cost on the community, given the benefits of clear provision for future demand for development capacity.

### **Achievability**

This objective is largely considered to be achievable, in part because it is an existing obligation under the NPS-UDC to maintain sufficient and appropriate capacity of urban development land. However, the objective increases the requirement for Council's to understand the competitiveness of land and development markets and monitoring for response to these. This will require additional resources for some local authorities.

While it is reasonable to expect that local authorities should have reliable and timely information about the uptake of resources (including development capacity) to make their decision-making timely and more achievable it is acknowledged that additional resources may be required in respect of monitoring market competitiveness.