

Background

1. This paper further scopes options for accelerating implementation of the NPS-UD. The options primarily relate to the policies directing councils to enable *intensification* (greater building heights and density) – particularly in areas that are well-connected to jobs and transport. This is an appropriate place for focus as:
 - a. These policies are designed to significantly increase development capacity in high demand areas, a necessary step to ensure that planning is responsive to changes in demand and enables a greater supply of housing where New Zealanders want to live.
 - b. There is a risk that councils will not implement these policies in the way that maximises the outcomes sought by central government. This is due to several barriers, including infrastructure costs, council capacity issues, political pressure, and difficulties in resolving local issues.
2. We do not favour bringing forward the deadlines for the NPS-UD's implementation or changing other aspects of it, such as margin or capacity requirements, currently. Doing this will require a public notification and submissions process, utilising resource that could be better used to support implementation. Local authorities would likely delay implementation of the current NPS-UD if amendments were proposed to ensure alignment with any changes.
3. Any decisions to accelerate the NPS-UD would need to be made jointly with the Minister for the Environment or his Associate, depending on how the delegation works.

Accelerating Implementation

4. Broadly, options can be grouped as follows:
 - a. Directly **funding infrastructure** in key areas (the likely biggest constraint to NPS-UD implementation)
 - b. s 9(2)(f)(iv)

Funding infrastructure

5. New Zealand has a considerable infrastructure deficit, which local government is unable or unwilling to rectify. With the relaxation of zoning rules through the NPS-UD, the timely provision of infrastructure for housing and transport remains a limiting factor for urban development – and affordable housing.
6. To the extent that central government provides additional funding to local authorities in urban areas, this is most likely to have a positive impact if funding:
 - a. Supports infrastructure delivery in areas where councils are required under the NPS-UD to change their plans to enable greater density
 - b. Funding is tied to making meaningful progress in implementing the NPS-UD.
7. It is important that any additional funding provided does not send the wrong signal to councils regarding NPS-UD requirements. That is, councils are required to implement the NPS-UD regardless of whether they receive additional funding.

Summary: Infrastructure Funding

Aims	Advantages	Disadvantages	Potential next steps
Fund infrastructure in areas that meet NPS-UD aims	Would address the major constraint to NPS-UD implementation in a way that directly supported its outcomes	Expensive Getting incentives right may be tricky	Would require a budget bid and careful design

8. You will receive further information on December 11 on a new fund that is proposed as part of a package to improve housing supply and affordability in the short-term – proposed to provide funding for targeted infrastructure, as well as strategic land acquisition.

s 9(2)(f)(iv) [Redacted]

9. s 9(2)(f)(iv) [Redacted]
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s 9(2)(f)(iv) [Redacted]			
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