Te Tūāpapa Kura Kāinga
Ministry of Housing and Urban Development

Ministry for the Environment
Manatū Mō Te Taiao

Going for Housing Growth

Providing for Urban Development in the New Resource Management System

Summary of Submissions

Te Kāwanatanga o Aotearoa
New Zealand Government

Contents

Introduction

Purpose

This document summarises the submissions received during consultation on proposals for Going for Housing Growth Pillar 1 in the resource management system by Te Tūapapa Kura Kāinga – Ministry of Housing and Urban Development and the Ministry for the Environment – Manatū Mō Te Taiao (the Ministries).

Context and role of Going for Housing Growth

The Going for Housing Growth programme seeks to progress the key policy and regulatory changes needed to address the problem of excessively high land prices, which are driven by market expectations of an ongoing shortage of developable urban land to meet demand. Going for Housing Growth is structured around three pillars that make system changes to address the underlying causes of the housing supply shortage. These are:

- Pillar 1: Freeing up land for urban development, including removing unnecessary planning barriers
- Pillar 2: Improving infrastructure funding and financing to support urban growth, and
- Pillar 3: Providing incentives for communities and councils to support growth.

Initial decisions on Pillar 1 were made in 2024 as part of proposed changes to the National Policy Statement on Urban Development 2020. This included the proposed introduction of housing growth targets, strengthened intensification requirements, providing for a greater mix of uses, and prohibiting councils from imposing rural-urban boundary lines or setting minimum floor area or balcony requirements.

In March 2025, the Government announced its intention that Pillar 1 of Going for Housing Growth will instead be predominantly given effect to as part of Phase Three of the resource management reforms, which will involve replacing the Resource Management Act 1991 with new legislation. The consultation document therefore sought feedback on how to give effect to previously-announced Pillar 1 proposals as part of the new resource management system.

Public consultation and approach to analysis

The public was notified of this consultation process through a variety of mediums including a Ministerial announcement on the day consultation began, Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development website, emails to stakeholders from the Ministries and social media posts.

The Ministries held two online information sharing sessions with local government to answer questions councils had about the proposals ahead of the submission period closing.

The full list of questions and answers was published on the Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development's website.

Submissions were received online through the Ministry for the Environment's consultation website, Citizen Space, and through the Going for Housing Growth email inbox.

Submissions analysis was supported by the consultancy firm Allen + Clarke.

The proposals in the discussion document are technical and open-ended in nature, meaning we received a wide range of detailed views. Given this, we have not addressed all submission points in this report but have sought to reflect common themes and views as appropriate, and included quotes from submissions to illustrate points made.

It has not always been possible to draw out themes from particular categories of submitters, due to the diverse range of perspectives expressed within the same category. Nevertheless, where possible, we have noted if similar submissions points were raised by a certain category of submitter. We also avoided highlighting submitter types with very few submissions to prevent overstating their views.

Not all submitters answered all the questions in the discussion document. For example, technical questions, such as the design of housing growth targets, were primarily answered by councils or other subject matter experts or both.

Limitations

Some submissions did not directly address the questions in the discussion document or the questions on Citizen Space. Additionally, few questions were suitable for clear 'yes' or 'no' responses. This means we have only undertaken quantitative analysis selectively, where we have confidence in the robustness of the data, to avoid the risk of it being overly reductive.

Where we have added quotes, it is to provide additional context to the summarised points. We note councils are frequently represented through these quotes. This reflects the technical nature of the proposals and questions in the discussion document, and that councils more commonly answered all questions, as noted above. Where possible, we have included quotes from a range of submitter types.

Document layout

The discussion document contained 12 topics, with 37 questions across these topics total. This summary document summarises responses to these questions 1 – 37. Each new topic begins on a new page.

Next steps

Submissions are being used to inform the development of the new planning and environmental management system.

The Planning Bill and Natural Environment Bill, which will replace the Resource Management Act, are intended to be introduced to Parliament before the end of 2025. Both Bills will be considered by select committee, and there will be opportunity for public submissions as part of this process.

Many of the matters consulted on in this discussion document will be given effect to through national policy direction and standards (including standardised zones and overlays). These are intended to be developed and released in tranches over the course of 2026 and 2027. The Government intends to undertake further consultation on the content of national direction and standards ahead of finalisation of these instruments.

Overview of Submissions

This section provides an overview of the submissions and their themes. We received 227 submissions in total, representing interests from a range of sectors and perspectives.

The following table summarises the number of submissions we received by submitter type.

Submitter type	Number
Academic, think tank, subject matter expert, research community	9
Business (including infrastructure providers) and Industry groups	46
Parliamentary body	1
Crown entity	4
Developer	10
Community group	16
Horticultural sector	1
Individual	57
Local government	58
Hapū, iwi, Māori	17
Planning or urban design professional	7
Professional body	1
Total	227

Common themes across topics

There were several high-level points made across submissions generally. These included:

- there is scope for a more enabling planning and environmental system which provides greater predictability to communities, developers and councils to generate better housing outcomes
- a system which places greater emphasis on private property rights should still ensure adequate protections for the environment and other important factors such as natural hazard mitigation and adaptation, the protection of cultural landmarks and urban design which consider health impacts and outcomes
- legislation should be clear about what good housing outcomes look like and how they should be achieved
- spatial planning provides an opportunity to better integrate infrastructure provision and land use planning, and Pillar 2 of Going for Housing Growth is fundamental for achieving Pillar 1 outcomes
- the new system should better enable housing on whenua Māori, and this could be achieved through culturally appropriate planning frameworks and mixed-use zones that allow for the construction of marae, papakāinga, kaumātua housing and Māori enterprises, and

- there must be adequate support for smaller and less well-resourced councils to meet any regulatory requirements.

Response to proposals

Proposals for which there was general support

Submitters largely supported the intent of Pillar 1 of Going for Housing Growth, as well as the intent behind the new resource management system and a more enabling and streamlined planning system that increases certainty and reduces housing and development costs. There was general support for the following proposals in the discussion document:

- replacing future development strategies with spatial planning and increasing the regulatory weight of these documents
- the high-level design of housing growth targets
- providing for an agile land release mechanism in the new resource management system
- the principle that 'growth should pay for growth' in relation to responsive planning
- most intensification proposals, including upzoning around 'key public transport corridors' (not just rapid transit), a general requirement to upzone across urban areas in line with some combination of demand or accessibility or both, and requiring councils to enable more than six storeys in areas subject to current intensification requirements
- the high-level concept of enabling a mix of uses across urban environments, and
- maintaining the tiered approach to requirements that apply to different councils in the National Policy Statement on Urban Development.

Submitters supported these proposals as they considered they would provide greater clarity and certainty for communities and developers, better enable forward-looking planning, improve infrastructure delivery, enable higher-density development in well-serviced areas and reduce urban sprawl, support well-functioning communities and apply requirements to councils as appropriate.

While submitters generally supported the above proposals, many noted concerns including:

- a view that Pillar 1 is overly enabling of urban expansion, risking negative environmental and other outcomes
- greater standardisation of plan-making could limit the ability for local input and decision-making, including by iwi/hapū
- the potential for a disconnect between what is zoned for housing or business use, and what is serviced by infrastructure. Many submitters argued that infrastructure, rather than planning, is increasingly becoming the binding constraint on development.

Proposals for which there was general opposition

Submitters generally opposed the proposal to remove the ability for councils to implement rural urban boundaries or to include provisions in spatial or regulatory plans that would prevent leapfrogging (non-contiguous development). However, developers who submitted on these proposals largely supported them.

Submitters opposed these proposals as rural-urban boundaries and provisions to prevent leapfrogging were considered useful tools to manage environment effects, protect sensitive land and support the effectiveness of spatial planning, amongst other benefits.

Proposals subject to mixed views

Submitters had mixed views on the following proposals:

- whether there should be a requirement for council planning decisions to be responsive to price efficiency indicators
- strengthening responsiveness requirements
- intensification catchment sizes
- offsetting the loss of development capacity due to departure from standardised requirements
- the removal of minimum floor area and balcony requirements.

The mix of views reflects the difference in opinion on the usefulness of certain data indicators and whether councils should have discretion when undertaking capacity assessments, the provision of infrastructure and the role of spatial planning and the role of the market and its practices.

Summary of Responses

This section outlines what was proposed and the questions asked in the discussion document and summarises responses for each topic.

Topic 1: Urban Development in the New Resource Management System

What was proposed

The discussion document provided detail on the Going for Housing Growth programme, and outlined decisions taken by Cabinet to date in relation to Pillar 1 and how these decisions may be implemented in the new resource management system. It noted that the new resource management system will:

- be simpler, with more certainty that development can go ahead (within environmental and human health limits) and an importance on housing and urban development
- include a clearer basis for setting environmental limits to provide more certainty about where development can and should go ahead
- have a focus on enabling urban development and infrastructure within environmental constraints in spatial plans
- provide greater ability for landowners to use property as they see fit through reducing the scope of effects and providing a clearer framework for effects management.

The question

Q1: What does the new resource management system need to do to enable good housing and urban development outcomes?

Summary of responses

Submitters generally **supported** the intent of Going for Housing Growth and the Pillar 1 proposals outlined in the discussion document to enable good housing and urban development outcomes. Of these submitters, there was broad support for a more enabling and streamlined resource management system that increased certainty and reduced housing and development costs. There was also general support for the principle that 'growth should pay for growth'.

Many submitters identified robust spatial planning as a useful tool in the new system to coordinate where, when and how growth occurs. Many submitters noted there is an opportunity in the new system to better integrate planning and infrastructure delivery (including a broader range of servicing such as telecommunications, energy and waste management) and to better respond to climate and natural hazard risk.

> "The system simply will not work unless there is an integration between infrastructure and spatial planning and commitment by councils to deliver the necessary infrastructure. The private sector is also able and willing to deliver the necessary infrastructure in partnership with councils." – Fletcher Living

> "Spatial planning must have strong consideration for natural hazards. Without due consideration, we risk constructing infrastructure and homes in locations that are exposed to greater risk and are more vulnerable to the increasing frequency and severity of significant events. This reduces the time and ability for communities to recover." – Engineering New Zealand.

Some submitters noted their support for carrying over the National Policy Statement on Urban Development's policy 1 into the new system. This sets out that planning decisions should contribute to well-functioning urban environments. Submitters noted tools could be used to help achieve well-functioning urban environments such as pattern books, design guides and minimum standards.

> "Minimum standards remain necessary, as developers often default to low-quality outcomes without clear guidance. The economics of development must account for public health, access to quality public realm, and recreational space – especially in higher-density environments." – Te Kāhui Whaihanga New Zealand Institute of Architects

Some submitters, councils in particular, suggested that the new legislation and subsequent national policy direction should provide greater clarity and specificity on what good housing outcomes look like and how they should be achieved.

> "Be explicit about outcomes and minimise conflicts in national direction so the policy direction can be implemented efficiently without protracted litigation." – Tauranga City Council

Many submitters highlighted the importance of ensuring the new system supports positive outcomes and cautioned against a significant focus on property rights compared to, for example, infrastructure constraints and environmental protection, including when determining the scope of effects management.

> "The new system must move beyond simply enabling housing, to enabling better housing in the right places. This means recognising that in urban settings, property rights must be exercised alongside the responsibility to manage externalities such as infrastructure demand." – Te Kāhui Whaihanga New Zealand Institute of Architects

> "The Planning and Natural Environment Bills should be integrated and aligned in their approach to managing the impacts of urban growth on the natural environment, whilst recognising the need for well-functioning urban environment to support economic growth." – Bay of Plenty Regional Council

Many submitters noted that the new system should enable housing on whenua Māori. Submitters felt that this could be achieved through culturally appropriate planning frameworks and through mixed used zones that allow for the construction of marae, papakāinga, kaumātua housing and Māori enterprises. Some submitters suggested that safeguards should be in place to ensure a more responsive planning system does not undermine iwi or hapū housing aspirations or otherwise negatively impact Māori social outcomes.

“The new resource management system will need to provide for matters currently set out in Part 2 of the [Resource Management Act 1991]. This includes the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga, and the protection of protected customary rights and kaitiakitanga.” – Te Runanga o Ngāti Mutunga

Topic 2: Future Development Strategies and Spatial Planning

What was proposed

In the new system, spatial planning is intended to replace the current role of future development strategies. The discussion document outlined that compared to future development strategies, spatial planning in the new system is intended to involve:

- stronger legal weight on regulatory, transport and funding plans
- a longer planning time horizon
- better use of information and evidence
- minimum infrastructure content requirements
- stronger and more consistent requirements for implementation plans
- requirements for councils to identify priority development areas in implementation plans.

The question

Q2: How should spatial planning requirements be designed to promote good housing and urban outcomes in the new resource management system?

Summary of responses

Spatial planning was widely **supported** as a core mechanism for guiding urban development, infrastructure investment and environmental protection. Submitters emphasised that spatial plans should:

- take a holistic approach and provide clear and coordinated visions for growth
- be flexible enough to respond to changing needs, data and technologies
- integrate housing, infrastructure, transport, economic development, ecology and climate resilience
- uphold cultural identity and values and Treaty of Waitangi principles and iwi settlements
- avoid fragmented development which increases costs and undermines strategic planning.

Most submitters were supportive of spatial plans carrying greater regulatory weight and noted this would provide greater clarity and certainty to councils, developers and communities. Most submitters agreed that spatial plans should have a minimum 30-year planning horizon with flexibility to extend to 50 years.

Some submissions on this point noted that longer timeframes, such as 50 years, introduce uncertainty making it difficult to appropriately plan and increase the risk of unintended outcomes such as speculative land banking. However, there may be benefit in planning for this timeframe for matters such as infrastructure corridors. Some submitters recommended 100-year time horizons for matters such as coastal infrastructure, natural hazard planning and climate resilience.

> "Embedding strong statutory weighting into spatial plans is critical to ensure that strategic decisions are consistently followed through into regulatory, infrastructure, and funding plans." – Waikato District Council

> "Zoning 50 years ahead may, for example, obscure sequencing priorities and create unrealistic expectations about short-to-medium-term land availability. Furthermore, it could encourage speculative land banking and distort valuation signals." – Royal Institute of Chartered Surveyors NZ

Many submitters were supportive of better use of information and evidence to underpin spatial plans and some recommended incorporating monitoring and review requirements in national policy direction to support evidence-based decisions. Multiple submitters stressed the need for better natural hazard data to support climate adaptation and risk-informed land use decisions, especially regarding coastal flooding, erosion and urban flash flooding.

> "Planning needs to be supported by better hazard and risk information […] the focus must be on filling critical gaps in Councils' knowledge of the natural hazard perils that are expected to change the most by and/or be most material at the outer bound of the spatial planning period, i.e., in 50 years' time." – IAG New Zealand

> "…the region benefits from a body of modelling and data that assess natural hazard risks, which informs housing developments. However, significant gaps remain in data and insights, limiting a comprehensive understanding of regional natural hazard risks. A clear national directive to progress spatial planning for natural hazard risks will provide the essential momentum to accelerate this critical work." – Environment Southland

Submitters largely agreed spatial plans should include minimum infrastructure content requirements, including what infrastructure is needed, where and who will provide it. There was also general support for stronger and more consistent requirements for implementation plans and requirements for councils to identify priority development areas in these plans.

> "Implementation plans should be mandatory and show how infrastructure/development levies and/or targeted rates will be assigned to pay for delivery, and these should align with council [long-term plans]." – Bay of Plenty Regional Council

There was some concern amongst submitters that greater standardisation of spatial plan requirements could limit the ability for local input and decision-making, including by iwi/hapū, and cautioned against an overly prescriptive approach by central government.

> "Local councils and communities possess deep understanding of their distinct natural and built environments. Yet, under the proposed changes, their autonomy and capacity for local decision-making – and thus meaningful place-making – will be significantly constrained. Aotearoa's diversity demands a system that balances standardisation with flexibility". – Taituarā

Topic 3: Housing Growth Targets

The discussion document sought feedback on the detailed design of Housing Growth Targets, which will be set for Tier 1 and 2 councils, requiring them to enable 30 years of housing development capacity in their plans using 'high' household growth projections.

The question

Q3: Do you support the proposed high-level design of the housing growth targets? Why or why not?

Summary of responses

Submitters largely **supported** the high-level design of housing growth targets. There was support for the shift to a longer timeframe (some submitters advocated for 10 years but most supported 30 years) accompanied by staged infrastructure delivery, and increased scope for privately funded infrastructure solutions, provided adequate standards were enforced. Spatial plans were identified as a key tool to address staging and financing of infrastructure and to enable growth in strategic, well-connected areas.

> "[Local Government New Zealand] supports enabling sufficient capacity to meet 30 years of housing demand (with a 20 percent contingency margin). Constrained supply of land has been a key driver of housing unaffordability, and this will build on the good work already started under the National Policy Statement for Urban Development." – Local Government New Zealand

> "We support the 30-year pathway, with added scope for infrastructure solutions that aren't solely reliant on local government (or 3 Waters) financing. The certainty that live zoned land (even without infrastructure) provides for developers enables alternative funding and financing avenues for infrastructure." – Tasman District Council

Of those who **opposed** the high-level design, some did not consider there was sufficient economic evidence demonstrating that increasing zoned land improves affordability.

> "The rationale is that greater land supply will lead to more affordable housing, [however], imposing higher targets has the potential to create an oversupply of land in the wrong places, increase the infrastructure deficit, and is unlikely to translate into affordable housing or better urban outcomes.

> "…Live zoning land that still cannot be developed because of a lack of infrastructure is inefficient and has the potential to create dysfunctional land markets." – Taituarā

The New Zealand Initiative noted potential issues with these targets being treated "deterministically rather than indicatively" in deciding which locations should be zoned for development or receive infrastructure investment and felt the targets should be used to guide modelling but not dictate zoning:

> "Feasibility relies on ever escalating land prices and embed static price/cost profiles that make development look infeasible in places it could be if land supply were

> abundant; and infrastructure readiness becomes a gating criterion rather than a planning input. As a result, these [targets] now routinely function as rationing devices rather than enabling tools." – The New Zealand Initiative

Some councils and developers noted that infrastructure and feasibility were key constraints to housing growth, and endorsed government initiatives to address these barriers alongside zoning reforms.

Providing an agile land release mechanism

What was proposed

The discussion document sought feedback on whether an agile land release mechanism could be provided to enable development areas to be brought online through a streamlined process. To achieve this, regulatory plans could be required to specify triggers for release such as infrastructure availability, development and agreeing a detailed structure plan, or land price indicators.

The question

Q4: How can the new resource management system better enable a streamlined release of land previously identified as suitable for urban development or a greater intensity of development?

Summary of responses

There was strong **support** by submitters for an agile land release mechanism to enable land to be developed where the appropriate steps have been taken. This includes robust spatial planning which takes into account local and regional priorities, constraints and values, clear identification and communication about what needs to be in place to enable land to be released, how any infrastructure servicing will be funded, and a clear process for land release.

> "Having a transparent, nationally consistent framework will support timely decision-making, while ensuring development proceeds in a way that is well-serviced and financially viable." – Napier City Council

> "Provision of infrastructure is regularly the constraint that prevents the zoning of land for development or intensification. However, zoning land provides certainty of its intended use that can open up funding or financing options. A new mechanism that allows for the zoning of land where infrastructure is not yet provided can create the certainty that lending and financing institutions want." – Tasman District Council

Some submitters noted that there are already tools under existing settings which enable land to be brought online in a staged manner such as overlays, precincts and future urban zones. These submitters considered that reforms could improve existing settings by providing clear national direction and guidance on how a land release mechanism would work in the new resource management system.

Submitters considered a range of factors could be included as necessary prerequisites for land to be released. This included development infrastructure (water infrastructure and main roads), technology and energy infrastructure, natural hazard risk and mitigation and social infrastructure such as schools, hospitals, parks and recreation areas.

> "The new system must reflect the network of infrastructure providers including social infrastructure (education, water, roading, health, energy) to ensure development is coordinated and future-proofed". – Queenstown Lakes District Council

No submitters expressed definite **opposition** to an agile land release mechanism however some were concerned that the inclusion of such a mechanism in the new system could limit the potential for consultation, including with infrastructure providers and Māori, and noted that land released via such a mechanism should be required to be developed within specified timeframes to avoid land banking and other unintended outcomes.

> "Plan change processes are a platform for Wellington Water to ensure the capacity of water is or can be provided for by the local authority before a decision-maker approves the development. […] To ensure there are no perverse policy outcomes, Wellington Water request that a trigger is included in the new resource management system that requires the water authority to approve the scale of three waters infrastructure proposed to support future development". – Wellington Water

> "[…] there may be value in a more agile land release mechanism in the case of higher growth projections. However, any such mechanism must avoid misalignment with sequencing when development occurs and upholds Treaty settlement commitments and maintains iwi participation rights in key land use decisions." – Raukawa Charitable Trust

> "The new system should ensure land release is directly tied to long-term spatial growth plans, certainty of infrastructure provision and measures to deter land banking." – Te Kāhui Waihanga New Zealand Institute of Architects

Determining housing growth targets

What was proposed

The discussion document proposed that housing growth targets would be based on 30-year household projections using Statistics NZ's Statistical Area 2 high-growth scenario projections, aggregated and converted into dwelling demand. Councils could choose a higher projection, but not lower. A 20 percent contingency margin would be added to each target to mitigate the risk of undersupply, replacing the current competitiveness margin.

The questions

Q5: Do you agree with the proposed methodology for how housing growth targets are calculated and applied across councils?

Q6: Are there other methods that might be more appropriate for determining Housing Growth Targets?

Summary of responses

Submitters **supported** aspects of the proposed methodology, including the ability to transfer a portion of a target between councils where there was alignment with strategic plans and long-term regional objectives, and the shift to increased standardisation of demand projections. Submitters felt increased standardisation would be valuable in reducing costs and complexity but advocated for this to be based on existing practice where possible.

> "[Local Government New Zealand] welcomes a more standardised approach to calculating demand and development capacity. We understand that smaller councils in particular can have issues with doing this work themselves, and a more consistent approach should reduce time and cost for them. The methodology should, however, mirror the best of existing practise amongst councils as much as possible, to provide certainty and minimise the need for officers to adapt to new systems." – Local Government New Zealand

> "We observe that the [housing and business development capacity assessment] processes are unnecessarily bespoke, and some councils are overly reliant on external experts to complete what should be a core function for them. Having more parts of the process standardised will assist in building capability and support transferability of best practice and skills across councils. This could become a shared function across groups of councils if it is not realistic for each council to have this capability. We encourage central government to work with [housing and business development capacity assessment] practitioners in preparing future guidance on how these can be standardised." – New Zealand Planning Institute

Submitters were mixed in their support of using of high growth projections. Those in **support** felt high growth projections would better support infrastructure delivery, withstand short-term fluctuations in demand and facilitate competitive urban land markets.

> "The Council supports the use of a high growth target plus 20 [percent] continency [sic] for Tier 1 and 2 councils to ensure capacity for growth is enabled within a 30-year timeframe. A higher growth target will compensate for variability in the projections related to data reliability and quality and projection methods and assumptions. The high growth target also helps build a more competitive urban land market for development." – Wellington City Council

A few submitters queried the need for the additional 20 percent contingency on the basis this was overly high or unnecessary on top of 30-year high growth projections.

Those who **opposed** the use of high growth projections felt it may not be suitable for slower growing areas (for example, some Tier 2 councils) and there should be scope to consider previous growth trends and local circumstances, with several councils adding that the population growth in their areas has consistently been closer to medium growth projections.

> "The proposed high growth +20 percent benchmark is, in a Christchurch's context, a +137 percent contingency on actual growth. It projects an unrealistic growth pattern

that is unlikely to be achieved as Christchurch has consistently tracked against a medium growth projection. […] If blanket enablement was to be applied, we would be more supportive of a requirement to live-zone for actual growth projections, plus a 20 percent contingency." – Christchurch City Council

"Overestimating growth is just as problematic as underestimating it, particularly in relation to infrastructure planning, design and financing […] Councils should have the option of choosing from the low, medium or high projections provided by Stats NZ based on a robust justification that considers local economic trends and the community's demographic profile." – Dunedin City Council

Auckland Council suggested an approach that would achieve a similar effect to high growth projections, but in a way that it considered would be easier to communicate:

"A potential alternative approach would be to enable councils to use 'the most likely' growth projection [for zoning] but require a greater contingency margin. The margin could be set at the differential between a medium and high growth plus the 20 per cent contingency. This approach would enable councils to clearly signal to infrastructure providers and stakeholders the difference between the growth that is likely to occur and the extra growth that councils would need to provide in order to achieve the government's objective of increasing land supply and fostering increased competition." – Auckland Council

Submitters were mixed in their support of using Statistical Area 2 projections. While submitters largely supported the use of centrally provided data to improve consistency, many submitters noted potential issues with exclusively using the Statistical Area 2 dataset, predominantly as they consider it does not sufficiently account for the impact of local dynamics on projections (for example, internal migration, demographic changes, emerging economic developments). They noted understanding of local dynamics also informs typology projections and how they determine feasibility. Those who supported the use of Statistical Area 2 data noted it was consistent, centrally provided and accessible.

"The reliance on [Statistical Area 2] level projections is a concern as [Statistical Area 2] projections have proven unreliable in the past for [Tauranga City Council] as they often do not account for future Greenfield [Urban Growth Areas], or other significant developments known to, or anticipated by, [Tauranga City Council] in its growth allocations. If there is a requirement to align with [Statistical Area 2] projections then there needs to be a feedback loop to enable these to be quickly updated for accuracy or the ability to adjust these directly by councils where required." – Tauranga City Council

"We […] propose the use of Infometrics projections rather than relying on [Stats NZ] [Statistical Area 2] high projections […] for the following reasons: past projections by [Stats NZ] have under-projected the population growth Rotorua has experienced; the release timing of [Statistical Area 2] projections do not line up well with council's planning cycles (e.g. infrastructure strategy, [long term plan], [housing and business development capacity assessments] and [future development strategies]) and

> Infometrics also provide projections of annual employment projections (jobs filled) by industry and occupation." – Rotorua Lakes Council

Some submitters also noted that the periods of time the data covered (30-year periods in five-year intervals) would not serve all council needs, and that the timing of when the data is released may impact on councils' ability to use the most up to date data for planning documents. Some submitters suggested alternative data sources. There was also support for councils being able to use a higher projection, with multiple councils noting that Statistical Area 2 high growth projections have historically under-estimated growth in their area.

Some submissions addressed the proposal for targets to only apply to urban areas. Of those, there was strong support for rural, peri-urban and Māori zoned land being able to count towards capacity for authorities where a significant proportion of growth occurs in these areas.

Calculating development capacity

What was proposed

In addition to requiring capacity to be plan-enabled, the National Policy Statement on Urban Development also requires it to be both 'feasible' and 'reasonably expected to be realised'. These requirements act as filters which seek to ensure that what is enabled is likely to be built in practice.

With regards to feasibility modelling, the discussion document asked whether modelling should be entirely based on current costs and revenues, or if councils should be able to make reasonable adjustments to some or all of these inputs for a proportion of the capacity to be provided. The discussion document also proposed to replace the 'reasonably expected to be realised' test with a clearer 'realistic' test, and sought feedback on what aspects of capacity assessments could benefit from increased prescription.

The questions

Q7: How should feasibility be designed in the new system?

Q8: If the design of feasibility is based on profitability, should feasibility modelling be able to allow for changing costs or prices or both?

Q9: Do you agree with the proposal to replace the current 'reasonably expected to be realised' test with a higher-level requirement for capacity to be 'realistic'?

Q10: What aspects of capacity assessments would benefit from greater prescription and consistency?

Summary of responses

Submitters largely **supported** a shift to greater standardisation for calculating development capacity. Submitters felt this could ensure results are robust, increase comparability across regions, and reduce costs and complexity, provided the design of new requirements (including reporting requirements) were not overly burdensome for smaller councils and remained sufficiently flexible to account for local context.

> "SmartGrowth supports the proposal to streamline capacity assessments and require a baseline of information/data in their preparation. This will improve the robustness of information in [housing and business development capacity assessments] and allow for comparisons across different districts/regions." – SmartGrowth

> "Horizons supports the overarching intent to introduce a more standardised approach to calculating demand and development capacity. However, we recommend that the new approach be designed with sufficient flexibility to accommodate unique local conditions […] A flexible framework would help improve the quality, consistency, and transparency of capacity assessments, while still allowing councils to account for local variation." – Horizons Regional Council

Multiple submitters raised that certain data types are currently difficult or costly to access, and there was strong support for central government to procure and provide accessible baseline data as inputs for standardised methodologies.

> "A major challenge in feasibility testing is the absence of robust baseline data on construction costs. To overcome this, the Ministry of Housing and Urban Development could strengthen its Housing Dashboard by integrating more granular metrics." – Taituarā

In addressing the specific aspects of capacity assessments which could benefit from greater prescription or consistency, submitters strongly **supported** greater standardisation for calculation methodologies and data input assumptions. In particular, they supported a standardised means of calculating yield range and material cost assumption (including standardising inputs like geotechnical costs), infrastructure demand (water and transport demand in particular) and housing demand. Submitters also supported prescribing the district plan rules and standards which must be considered in calculations of plan enabled capacity (including activity status).

With regard to feasibility modelling, most submitters who provided feedback on these questions were supportive of retaining some version of feasibility as a filter on plan-enabled capacity, to ensure that councils are enabling sufficient capacity that could be developed at a profit, and not just theoretical capacity. Some considered the current definition and requirements for feasibility modelling in the National Policy Statement on Urban Development to be broadly appropriate and cautioned against changes that could require localised feasibility models to be reworked.

Multiple submitters were supportive of additional prescription and standardisation of feasibility modelling approaches, while still allowing for local inputs to be used where relevant. However, a few submitters were sceptical about the role of feasibility modelling or suggested alternative approaches. Some submitters noted that that feasibility modelling is costly and complex, and often beyond the capabilities of some smaller councils.

> “Defining feasibility and using a consistent methodology across council areas is critical to achieving the desired growth and affordability objectives. Feasibility modelling requirements, inputs and assumptions should be standardised to the maximum extent possible.” – Community Housing Aotearoa

> “We have reservations about the suitability of the outputs from feasibility modelling as a measurement tool for sufficiency. In our experience, this method is unhelpful for tracking how a District Plan is providing capacity, as there is a lack of comparable outputs across review cycles. This is due to the ever-changing pricing changes of inputs into feasibility models and the reality that a model output is only tied to when cost inputs are derived; it is a snapshot in time. […] We consider that a more comparable feasibility approach would be an adapted plan-enabled approach. Plan-enabled capacity is based on a calculation of the maximum total number of units enabled by the District Plan. This is typically a large sum, which can be ground-truthed through either accepting a proportion will be commercially viable at any given time (say 10-15 [percent]) and/or observing full block and/or site development yields (as undertaken in each [housing capacity assessment] we have undertaken).” – Christchurch City Council

A range of submitters appeared to view the supply of capacity for housing as a clear sequence of houses to be delivered over time (as opposed to an abundance of opportunities to develop upfront). In line with this view, many submitters emphasised the difficulties of predicting feasibility over the medium- and long-term, and argued that, when calculating feasibility, councils should be able to make adjustments to costs and prices to reflect expected changes in these inputs over time. However, a few submitters argued against allowing for adjustments to costs and prices.

> “Calculating development capacity, and particularly feasibility modelling, is complex and it is questionable whether it can be undertaken over more than a short-term 3-year timeframe in any urban environment of scale. This is due to the external economic factors, availability of finance for development, construction costs, and housing market supply and demand dynamics which can all be market-specific within regions. […] Assuming current development demand and patterns will remain unchanged over such a long period seems counterintuitive.” – Bay of Plenty Regional Council

> “The council supports feasibility modelling allowing for changing costs and prices. As seen during and post the Covid-19 pandemic, costs and prices are sensitive to unforeseen events and feasibility should be able to reflect that costs (labour, materials) and prices gradually change through time as demand grows (as a function of population growth). [… Costs] of finance, land costs, material costs, construction costs, labour, infrastructure etc all change over time, so it is unrealistic to base housing feasibility modelling on current costs and revenues. It is also worth noting that feasibility in an urban environment is not static, as land use changes over time, and the agglomeration of activity, including new shops, restaurants, community

assets and schools, add to the desirability, demand and feasibility of an area." – Waikato Regional Council

> "Councils must not rely on speculative price increases to make capacity appear feasible." – Raukawa Charitable Trust

Some submitters noted the interplay between development feasibility and other preconditions necessary to support the development of housing, including infrastructure. A few suggested incorporating broader factors such as affordability, cultural and environmental considerations, including resilience to natural hazards, into feasibility modelling.

> "The feasibility assessment for determining housing growth targets framework should follow a logical sequence: Plan-Enabled Capacity → Commercially Feasible → Infrastructure Ready → Target. This shifts the current approach so that infrastructure readiness is assessed after commercial feasibility, rather than at the outset. This order better reflects how development decisions occur in practice, a commercially unviable site will not proceed regardless of infrastructure availability, whereas commercially feasible sites can then be prioritised for infrastructure investment." – Napier City Council

Submitters largely supported the proposal to change the requirement from development capacity being 'reasonably expected to be realised' to 'realistic'. Many felt the current test was too open to interpretation, and that this had led to inconsistent application and overestimation of capacity. They felt the shift to a clearer and more stringent standard was a step toward addressing this issue.

> "The current premise of "*reasonably expected*" has not delivered actual growth development potential and has constrained and distorted market influences. Moving to a "*realistic*" premise for calculated growth is, in our view, essential. This will require a detailed analysis of realistic growth opportunities through a territorial authority rather than the current high-level estimates undertaken by some Councils. Stronger legislative direction and recognition of what is feasible capacity is also suggested." – Fletcher Living

While only a few submitters **opposed** the change, many submitters stated that to be effective, the guidance developed on what is realistic must be robust, include all relevant requirements and be adaptable to changing market and delivery conditions. A few submitters also raised concerns that the shift to 'realistic' would require an increasingly complex modelling approach, that may be costly and time-consuming.

> "The council cautions that incorporating a test that seeks to factor in development that is 'realistic' will require a much more sophisticated modelling approach that integrates capacity and demand to forecast housing supply response and market outcomes, in terms of quantities and prices." – Auckland Council

> "[…] it is impractical for councils to use anything but a rudimentary model (or assessment) of what is likely to be realistic given the large number of variables that would need to be considered for a robust assessment." – Manawatū District Council

Infrastructure requirements

What was proposed

The discussion document sought feedback on proposals to:

- enable councils to use the most likely growth scenario for assessing infrastructure readiness (rather than high-growth projections)
- set minimum requirements for infrastructure capacity assessments to ensure that capacity assessments are informed by robust information, and
- make infrastructure assessment requirements clearer, including setting the level of detail that should be required for infrastructure and requiring assessments to account for cumulative growth.

The questions

Q11: Should councils be able to use the growth projection they consider to be most likely for assessing whether there is sufficient infrastructure-ready capacity?

Q12: How can we balance the need to set minimum levels of quality for demonstrating infrastructure capacity with the flexibility required to ensure they are implementable by all applicable councils?

Q13: What level of detail should be required when assessing whether capacity is infrastructure-ready? For instance, should this be limited to plant equipment (e.g. treatment plants, pumping stations) and trunk mains/key roads, or should it also include local pipes and roads?

Summary of responses

Submitters were largely **supportive** of enabling councils to use the growth projection they consider to be most likely for assessing infrastructure readiness, rather than using high-growth scenarios. This approach was seen as more efficient, locally responsive and financially prudent through reducing the risk of stranded infrastructure.

> "Councils should be able to use the most likely growth scenario for infrastructure planning, as this avoids over-investment and associated financial risks. However, this should be paired with a requirement to plan for the full high-growth scenario in terms of regulatory development capacity, ensuring enough land is enabled even if infrastructure is rolled out gradually. This approach balances financial prudence in infrastructure investment with the need for sufficient land supply to maintain market competition and housing affordability." – Te Runanga o Te Rarawa

> "The [Retirement Villages Association] agrees that councils should use the "most likely" growth scenario for infrastructure planning. As noted in the Discussion Document, if councils are required to use 'high' growth projections, it could require

councils to invest in more infrastructure than is ultimately taken up. Developers (e.g. through the new development levy system) would then be faced with higher costs to fund what is ultimately unnecessary infrastructure, and the cost would flow through into housing prices." – Retirement Villages Association

Some submitters were **against** the proposal to decouple zoning requirements from infrastructure servicing requirements. They were either against the proposal to not require 30 years of capacity to be serviced by infrastructure that is 'in the ground' upfront, or the proposal to enable councils to use growth projections for infrastructure that they consider to be most likely. These submitters noted concerns that differing planning horizons between zoning and infrastructure would increase the risk that development will be misaligned and infrastructure would not be built as needed.

> "Live zoning land that still cannot be developed is inefficient and creates dysfunctional land markets. […] We recommend ensuring the forecast can be used for both land use and infrastructure to ensure that the same forecast numbers are used across all land use and infrastructure planning. This will avoid a widening gap between land use and infrastructure." – Taituarā

> It is not appropriate that infrastructure is considered completely separately to housing growth targets in regulatory spatial planning. A staggered approach could result in infrastructure lagging significantly behind development with increased cost with implementation at a later date." – Upper Hutt City Council

> "[…] we are unconvinced that the rationale to have differing planning horizons for housing and infrastructure outweighs the potential risks. Having a 30-year timeframe for housing but only a 10-year timeframe for infrastructure increases the risks that development will be de-synced and infrastructure will not be built to serve the required development. While we understand the intention to reduce upfront infrastructure costs, once infrastructure is built, it is very expensive to then upgrade, move or replace it to suit demand outside of the planned horizon. We are also concerned that this may have an unintended impact on increasing New Zealand's infrastructure deficit." – Engineering New Zealand

Submitters noted that if different projections are used for zoning and infrastructure then there will be a need to clearly communicate when different areas will be serviced by infrastructure and to design mechanisms that ensure areas are not released until whole-of-network infrastructure readiness is confirmed. Some submitters also raised concerns with how infrastructure staging would be designed to ensure there is not an over-provision of infrastructure.

Submitters were largely **supportive** of setting minimum requirements for infrastructure capacity assessments. Submitters noted that this would ensure consistency, transparency and credibility across councils. When designing requirements, many submitters supported a tiered or flexible approach, allowing for variation based on council size, data availability and growth pressures. There was support for assessing infrastructure capacity on the basis of cumulative growth impacts, not just site by site analysis. Some submitters also suggested that minimum requirements should include assessment against climate resilience and cultural standards.

Submitters who **opposed** setting minimum requirements noted that while general guidance would be useful, there is a risk that requirements will be overly prescriptive, burdening smaller councils and delaying development. These submitters felt that councils should retain discretion to assess local conditions.

There was general **agreement** amongst submitters that strategic infrastructure such as treatment plants, trunk mains, substations and arterial roads are essential for determining infrastructure readiness.

There were **mixed views** on whether infrastructure-readiness should also include local infrastructure such as pipes, distribution lines and local roads. Some submitters argued that this infrastructure should be excluded as it is typically delivered by developers and including it could create a circular logic in which it is unclear who is responsible for what infrastructure. Other submitters noted it is important to include this infrastructure as local constraints can delay development, even if strategic infrastructure is in place.

> "[The level of detail] only needs to include bulk infrastructure that may need designation or land purchase by the [territorial authority]. Other things that can be delivered with private land holdings should be the responsibility of the development group." – Urban Planning Consultants

> "Assessments of whether development capacity is "infrastructure ready" should include local pipes and roads, not just the [trunk] mains and key roads. An assessment of the whole network is required because the outcomes are the same. A functional city requires an integrated infrastructure network at all levels, including the local level. The local level must be considered to avoid cumulative impacts." – Porirua City Council

Some submitters suggested the level of detail should be scale-dependent, with small developments only requiring local network assessments while larger or catchment-level assessments should include treatment plants and broader network capacity.

Some submitters suggested a broader range of infrastructure should be included in infrastructure-ready assessments such as public transport, energy, social infrastructure such as schools or hospitals and cultural infrastructure such as marae.

Responding to price efficiency indicators

What was proposed

The discussion document proposed setting a requirement for council planning decisions to be responsive to price efficiency indicators (such as urban fringe land price differentials price-cost ratios and land ownership concentration), which would be measured and published by Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development. This would supplement housing growth targets with information about how land markets are functioning in practice.

The question

Q14: Do you agree with the proposed requirement for council planning decisions to be responsive to price efficiency indicators?

Summary of responses

There were a **mix of perspectives** on whether there should be a requirement for council planning decisions to be responsive to price efficiency indicators.

Some submitters supported the proposal, as a supplement to housing growth targets. Some that supported the proposal in principle argued that councils need to be able to apply discretion in terms of the policy response to indicators, or emphasised the need for appropriate guidance on how to respond to indicators or both.

> "Seven Oaks supports requiring councils to respond to price efficiency indicators, as this could ensure that high land prices trigger immediate supply responses. Such responsiveness would help prevent price spikes in serviced areas, encourage new entrants into the development market, and shift demand toward emerging growth areas with available infrastructure. Without such responsiveness, the market remains distorted by scarcity and speculative holding." – Seven Oaks Securities Limited

> "The Council supports the responsiveness of planning decisions to land price indicators where they are considered as a package of indicators. While a price indicator can trigger a response, councils should have discretion on the design of the response. The indicator should not automatically require the release of additional development capacity. The package of indicators should include external factors, such as topography, natural hazards, and biodiversity areas, and take into consideration factors such as public investment in infrastructure that increases land values." – Wellington City Council

> "While using price efficiency indicators to inform planning decisions could help ensure councils are more responsive to market conditions, we are concerned that there could be a lack of clarity around how this would be implemented in practice. It is unclear which planning decisions the indicators would apply to and at what level, for example, whether they would influence high-level spatial or zoning decisions, or if they would also be expected to inform individual resource consent applications. Applying such indicators too broadly or at inappropriate stages in the planning process could lead to confusion, delays, and legal uncertainty. We recommend that there be clear guidance to ensure these measures are used effectively and consistently." – Property Council New Zealand

Many submitters thought that price efficiency indicators could provide useful diagnostic mechanism, but should not have regulatory effect, arguing that housing growth targets were sufficient for providing development capacity, or that indicators were insufficiently nuanced to differentiate between factors within and outside of council control, such as interest rates.

> "We do not agree with overreliance on price efficiency indicators as the sole measure for how the housing markets are functioning. The purpose of the housing

growth targets is presumably to ensure that supply is sufficiently elastic so that increased demand does not lead to excessive property price increase. A simplistic approach that mandates an increase in residential land supply has a high likelihood of being confounded by characteristics of the local market, with unintended consequences and/or a failure to achieve the policy objective. Understanding the structure of local land markets and how they are functioning is a good step towards meeting policy objectives. Estimating the price efficiency indicators described is, therefore, considered to be a worthwhile task. However, it not clear that these indicators always have straightforward interpretation, and consequently there is a risk that an overly prescriptive response to indicator estimates may also lead to unintended consequences." – Waikato Regional Council

> "Price efficiency indicators could be one of the matters a Tier 1 or Tier 2 council considers when considering the rezoning or release of land for development, but it should not be a principal driver. Scarcity of zoned land (and therefore development opportunities) has been demonstrated to be one the factors which influences land prices (or house prices) on the urban fringe. However, it is not the only factor. Market demand, interest rates (which effects willingness and ability to pay) the total supply of houses on the market at a given point, land banking behaviours, migration patterns, availability of infrastructure, construction costs, location relative to beaches or high-profile school zones, and proximity to amenities are also factors which impact on house prices. Past government work on price-efficiency indictors has tended to under-estimate the role of these matters in price setting and over-emphasise the role of zoning. […] Making councils ensure there is a constant, sufficiently-sized, pool of zoned land to meet foreseeable growth needs will be a simpler and more realistic means of deciding when land needs to be released than trying to tie the release of land to price-signals (which are likely to fluctuate faster than councils can rezone land)." – Manawatū District Council

Some submitters wanted to ensure that price efficiency indicators were informed by local conditions or analysis or both.

> "The council recommends that Councils should be able to propose and use their own version of a price efficiency indicator, where they can demonstrate it is fit-for-purpose and robust. As an example, Auckland Council has invested in an urban-rural land value model that uses sales data and controls for the economic cycle. This gives an annual indicator, rather than a three-yearly valuation-based approach. We intend to use this indicator, alongside other indicators, to monitor the performance of land markets over time, with the aim of understanding the impact and sufficiency of policy settings." – Auckland Council

> "If such indicators are used as triggers for additional capacity requirements, they must be contextualised with local economic, demographic, and infrastructure realities. For example, enabling more zoned land where there is already ample plan-enabled but commercially unviable capacity would not address price signals driven by other factors such as construction cost inflation, high hazard mitigation costs, or

infrastructure funding shortfalls. We therefore recommend that price efficiency indicators be used as diagnostic tools rather than automatic triggers, supported by a requirement for councils to provide local market analysis before any additional capacity is mandated and incorporated into investment decisions." – Napier City Council

Business land requirements

What was proposed

The National Policy Statement on Urban Development sets requirements in relation to both housing and business land, but the proposed housing growth targets only apply to development capacity for housing. To ensure that provision of housing capacity doesn't crowd out business capacity, the discussion document proposed that councils should also enable enough business capacity in their regulatory plans to meet 30 years of demand. As there are no centrally provided demand projections for business land, councils would have discretion over the projections they use.

The question

Q15: Do you agree that councils should be required to provide enough development capacity for business land to meet 30 years of demand?

Summary of responses

Submitters generally **supported** the proposal to enable 30 years of capacity for business land but emphasised the need for flexible implementation. There was broad agreement on the importance of integrated housing and business planning to support employment, economic development and well-functioning urban environments, and that this should happen at a regional level.

> "We support the requirement to plan for 30 years of business land capacity, alongside housing capacity. Business land is essential for economic resilience, local employment, and reducing the need for long- distance commuting. Integrated spatial planning for both housing and business activities is key to achieving well-functioning urban environments." – Napier City Council

> "Councils, where appropriate, should be required to provide enough development capacity for business land to meet 30 years of demand, but this must be supported by a clear, staged release mechanism similar to that used for housing. Ensuring a long-term supply of zoned and infrastructure-ready business land provides certainty for investors and supports economic growth, while helping to avoid ad hoc development. It's also critical that business land is distributed in a way that maintains a strong employment-housing balance". – Waikato District Council

Many submitters noted the complexity of determining business land capacity requirements, particularly with changing working styles and industry. On this basis, some submitters **opposed** the proposal, advocating instead for discretion of how much business land is enabled up front. They felt given the uncertainty of forecasts there were costly risks of under or over provision if 30 years of capacity has to be live-zoned.

> "The nature of business is evolving, particularly in retail and office-based sectors where remote work and flexible arrangements reduce the need for traditional zoned locations. These factors can make long-term forecasting more complex and uncertain. […] The regional spatial plan should outline that the release of future business land zoning should be responsive and flexible to changes including sequencing land release when there is evidence that more business land is needed and consideration of alternative zoning should less business land be required in that location." – Bay of Plenty Regional Council

> "[…] there is little reason to consider that contemporary 30-year projections will be even approximately accurate, resulting in a high risk of significant under- or over-provision. […] Demand for business land is harder to predict than for housing – it fluctuates more with economic cycles and businesses often have specific locational preferences. Demand for business land is also more likely to be influenced by technological advances and new ways of working. The council recommends that councils have discretion in how much business land is enabled up front because of the nuances of business demand projection, but agrees there needs to be wide discussion on business land monitoring, uptake/vacancy rates and land banking of commercial land." – Waikato Regional Council

Topic 4: Responsive Planning

What was proposed

The discussion document sought feedback on whether the new system should include strengthened requirements for councils to be responsive to unanticipated or out-of-sequence development proposals. It also sought feedback on how responsiveness should interact with the principle that 'growth pays for growth'.

The questions

Q16: Are mechanisms needed in the new resource management system to ensure councils are responsive to unanticipated to out-of-sequence developments? If so, how should these be designed?

Q17: How should any responsiveness requirements in the new system incorporate the direction for 'growth to pay for growth'?

Summary of responses

Most submitters agreed in principle that councils should be required to be responsive to unanticipated or out-of-sequence development proposals, however there was **mixed opinion** on whether and how requirements should be strengthened.

Submitters who **supported** strengthened responsiveness requirements noted that responsiveness is an important part of the planning system and necessary to help maintain flexibility, even within the context of increased spatial planning and housing growth targets. Submitters were particularly supportive of including clearer criteria and objective thresholds for assessing development proposals such as better defining what constitutes 'significant'.

Some submitters who supported responsive planning in principle considered it should be subject to controls such as:

- ensuring proposals are well-aligned with spatial plans, including through the use of safeguards
- integration with infrastructure planning and funding processes
- consideration of environmental and hazard constraints and limits.

> "We support the recognition in the Discussion Document that councils must be responsive to unanticipated or out-of-sequence development. We also support the underlying principle that infrastructure should be delivered in a way that enables, not delays, growth. Responsiveness is an essential feature of a competitive land market, and it must be structurally embedded rather than administratively appended." – The New Zealand Initiative

> "An appropriate mechanism should be that the position held by the council should be pro-development and open to looking at proposals by the developers. If the developers can find appropriate solutions to solve their infrastructure requirements then these so called out of sequence developments cannot be refused." – Individual Submitter

Submitters who **opposed** strengthened requirements noted concerns about the cost of development, the effects on infrastructure and the potential that proposals could undermine spatial planning. Several submitters queried the relevance of a responsiveness mechanism in the new system.

> “Horizons does not consider it necessary for councils to be required to respond to unanticipated or out-of-sequence developments under the new resource management system. The proposed system requires councils to enable enough land to meet 30 years of development demand, supported by a strategically focused Spatial Plan and highly prescribed or guided approach to demand and development capacity assessments. As a result, the land identified through the process will represent the most suitable and strategically aligned areas for future growth within each locality. […] Proposals for development outside the identified future development areas may not align with infrastructure planning, environmental considerations, or broader strategic objectives and therefore may be inappropriate. In this context, introducing additional mechanisms to require responsiveness […] may undermine the integrity of the spatial planning process.” – Horizons Regional Council

There was **significant support** amongst submitters for the principle that ‘growth should pay for growth’, however some cautioned against an overreliance on user-pay mechanisms and/or noted that success would be highly dependent on how the mechanism is designed and implemented. Design suggestions included:

- support should be provided to councils by central government, including funding to pay for upgrades to existing infrastructure
- extend the ‘growth pays for growth’ principle beyond traditional infrastructure provision to include long-term risk management and resilience
- ensure responsiveness to growth includes a full lifecycle view of risk, including readiness and response capabilities
- require private developers to demonstrate funding or delivery commitments for the necessary infrastructure before proposals are given priority.

> “SmartGrowth supports the principle of ‘growth pays for growth’ and considers it critical that the cost of infrastructure and development falls on those who drive the demand for it. This element should be included in any responsiveness requirements. This should include the possible financial impact of alternative proposals that may divert demand away from areas where infrastructure has already been provided and funded. – SmartGrowth

Topic 5: Rural-urban Boundaries

What was proposed

The discussion document sought feedback on removing councils' ability to:

- impose rural-urban boundary lines for the purposes of urban containment in planning documents
- prevent 'leapfrogging' (non-contiguous development).

The questions

Q18: Do you agree with the proposal that the new resource management system is clear that councils are not able to include a policy, objective or rule that sets an urban limit or a rural-urban boundary line in their planning documents for the purposes of urban containment? If not, how should the system best give effect to Cabinet direction to not have rural-urban boundary lines in plans?

Q19: Do you agree that the future resource management system should prohibit any provisions in spatial or regulatory plans that would prevent leapfrogging? If not, why not?

Q20: What role could spatial planning play in better enabling urban expansion?

Summary of responses

Submitters largely **opposed** the removal of councils' ability to set rural-urban boundary lines for the purpose of urban containment. This predominantly included councils but was also prevalent throughout many other submitter types. These submitters noted that rural-urban boundaries are a useful tool to:

- manage environmental effects
- protect highly productive, resource-sensitive and culturally-sensitive land
- manage reverse sensitivity (for example, infrastructure like landfills or highways)
- avoid natural hazards
- support infrastructure planning and investment certainty
- support the effectiveness of spatial planning.

Many submitters noted that the new system should at least enable 'soft' boundaries to manage legitimate constraints such as those relating to the matters listed above.

> "[…] these tools play an important role in managing urban growth. While flexibility for expansion is important, removing rural-urban boundaries risks encouraging uncoordinated sprawl, increased infrastructure costs, and the loss of productive rural land. It may also undermine the effectiveness of spatial planning, and its ability to align housing, transport, and infrastructure investment." – Canterbury Regional Council

> "We believe that New Zealand cities need to smartly plan for and manage their growth with a balance of intensification and expansion. If excluding 'hard' boundaries is adopted the definition must be clear. For example, hazard areas and culturally, environmentally and economically significant areas must be clearly excluded from

development. […] Enabling growth at all costs does not benefit the long-term wellbeing of our communities, land and water." – Community Housing Aotearoa

Submitters **in favour** of removing councils' ability to set rural-urban boundary lines noted the positive effect this could have on housing development and competitive urban land markets, while noting that removal of rural-urban boundary lines on its own would not enable development.

> "We strongly support the proposal to explicitly prohibit any policy, objective, or rule in planning documents that sets a rigid urban limit or rural urban boundary for containment purposes. Formal boundaries currently artificially constrain viable land supply, reduce competition among development sites, and contribute to inflated land prices." – Bulletin Trust (Thames Pacific Group)

> "[…] simply removing the rural-urban boundaries will not, on its own, enable more development. The key lies in the policies that govern how and where urban expansion can occur." – Property Council New Zealand

Many submitters **strongly opposed** removing councils' ability to manage or prevent leapfrogging. Key concerns included infrastructure inefficiency, environmental and planning risks, and unclear cost burdens. Some of the submitters who **supported** removing councils' ability to prevent leapfrogging suggested any prohibition must be supported with clear criteria for implementation. For example, ensuring that there is a clear distinction between imposing an 'urban limit', and zoning designed to reflect genuine constraints on development (for example, natural hazard risk).

> "We do not agree with an outright prohibition on provisions that limit leapfrogging, as unmanaged leapfrogging can result in fragmented development patterns, infrastructure inefficiencies, and the loss of productive rural land and landscape values. From a sound landscape planning perspective, growth should be sequenced and integrated so that new development areas build logically from existing settlements and infrastructure. […] Rather than prohibiting controls altogether, the system should require any restrictions on leapfrogging to be evidence-based, transparent, and linked to spatial, environmental and landscape assessments." – Tuia Pito Ora New Zealand Institute of Landscape Architects

> "While not completely opposed to leapfrogging in all cases, it is important to acknowledge the significant risks it can pose particularly in terms of increased car dependency, fragmented urban form, and infrastructure inefficiency. These impacts can undermine long-term planning goals and place financial strain on both Council and communities. Therefore, any proposal for leapfrogging development should be required to demonstrate that the associated costs and effects particularly on infrastructure and the environment are either neutral or appropriately mitigated. This would ensure that development remains strategic, sustainable, and in line with broader urban planning objectives." – Waikato District Council

Spatial planning was widely supported as a key tool for enabling well-managed urban growth, protecting the environment and aligning development with infrastructure and community needs. Some submitters noted that, if done well and in a comprehensive and integrated manner, spatial plans could help negate the need for ‘hard’ rural-urban boundaries and manage leapfrogging.

Topic 6: Intensification

Key public transport corridors

What was proposed

The National Policy Statement on Urban Development currently requires Tier 1 councils to allow at least six-storey developments within walkable catchments of existing or planned rapid transit stops. There are other well-serviced public transport routes that may be suitable for intensification, but do not meet the current definition of a rapid transit service.

The discussion document proposed two new categories of key public transport corridors:

- Category 1 corridors: Defined broadly in line with the New Zealand Transport Agency's One Network Framework[1] classification of 'spine' corridors, these would be strategically significant corridors where many frequent services operate and many public transport services merge together to create very high frequencies of passenger movement. Councils would need to enable at least six storeys within walking catchments of these corridors.
- Category 2 corridors: Defined broadly in line with the One Network Framework classification of 'primary' corridors, these would be strategic corridors where frequent public transport services operate, providing regular services across most of the day, seven days a week. Councils would need to enable at least three storeys within walking catchments of these corridors.

It was proposed that councils would determine which local routes meet the definition of each category.

The questions

Q21: Do you agree with the proposed definitions for the two categories of 'key public transport corridors'? If not, why not?

Q22: Do you agree with the intensification provisions applying to each category? If not, what should the requirements be?

Q23: Do you agree with councils being responsible for determining which corridors meet the definition of each of these categories?

Summary of responses

Many submitters **supported** the concept of focussing intensification along public transport corridors, with many agreeing there are corridors suitable for greater density that are not currently captured by the definition of rapid transit. Submitters largely **supported** including two categories of 'key public transport corridors'. In particular, they supported the proposal's shift towards clear definitions to reduce ambiguity and better reflect public transport networks outside of Auckland and Wellington, as well as retaining the incorporation of

[1] The One Network Framework is a national classification system for roads and streets. For more information see www.nzta.govt.nz/planning-and-investment/planning/one-network-framework.

planned routes to support future high-density corridors. Aspects identified as needing refinement or clarity included what constitutes a ‘planned corridor’, and the hours of services needed to meet these definitions (for example, do buses need to run at these rates 24/7, or during commuter or daylight hours).

Several submitters noted that the definitions set out in the One Network Framework do not account for varying levels of public transport services across the country, setting the intensification bar either too high or too low for certain urban areas.

> “The [One Network Framework] document [for Category 1] includes “indicative” public transport vehicle volumes of greater than 20 services per hour – averaging one every 3 minutes (bi-directional). Few bus routes nationally would fit into this category, and most of these routes are located in city centres and other high density urban areas already.” – Wellington City Council

> “[…] the City Plan now enables 6-8 storey capacity along the Cameron Road multi-modal corridor to support intensification opportunities over the long term. This would be the closest corridor to Category 1 but [the bus frequencies are] currently less than the proposed requirements of 20 or more services an hour, but certainly more than the four or more services per hour as suggested in the [One Network Framework Category 2 definition].” – Tauranga City Council

> “The [New Zealand Transport Authority] thresholds for a ‘primary corridor’ [Category 2] are so low that it would result in nearly every Auckland bus route necessitating an intensification response. That outcome differs significantly from the corridors purpose. The approach does not recognise uneven levels of public transport service across New Zealand.” – Auckland Council

Submitters who **opposed** the proposed definitions felt that public transport should not be the only basis for intensification, and that definitions should consider matters such as commercial activity, community services, people movement, motor vehicle use and infrastructure capacity.

Submitters provided mixed opinions on the flexibility of definitions, identifying both a need for further refinement to avoid interpretation debates or councils upzoning fewer corridors than intended, and an ability for local discretion and knowledge to inform application.

Most submitters **supported** the proposed intensification requirements that would be tied to the corridors. However, some argued that councils should have the ability to enable greater heights if desired and to enable lower heights and provide offsetting if justifiable.

Several submitters also supported a tiered approach with the greatest intensification occurring immediately adjacent to the corridor. Some submitters raised concerns that there is potential for intensification in areas that are poorly serviced if the provisions apply to an entire route, advocating for intensification to be prioritised around stops closest to and within urban centres.

30 out of 39 submitters who responded to this question were in **favour** of councils determining which corridors meet the definition of each category. These submitters stated

that councils were best placed to consider local context, such as infrastructure constraints, land use and transport patterns, to identify suitable corridors for intensification. Some submitters felt regional councils would be best placed to determine the corridors.

Those **against** councils determining corridors considered discretion may lead to debate, delay and uncertainty for developers and communities, and inconsistencies in how definitions are applied across authorities. Submitters suggested these issues could be mitigated by clear definitions of service frequency and hours of operation, central government reporting standards (for example, requirements for councils publish their methodology), and/or a sign-off mechanism at regional or national levels to ensure consistency across neighbouring urban areas and minimise under-classification that could undermine national objectives.

Intensification catchments sizes

What was proposed

The discussion document proposed two options for minimum intensification catchment sizes to reduce debate about what constitutes a walkable catchment. Distances would be 'as walked.'

- Option 1:
    - 1,200 metres from the edge of city centre zones (or equivalent)
    - 800 metres from the edge of metropolitan centre zones (or equivalent) and rapid transit stops
    - 400 metres from the edge of the road reserve of key transit corridors.
- Option 2:
    - 1,500 metres from the edge of city centre zones (or equivalent)
    - 1,200 metres from the edge of metropolitan centre zones (or equivalent) and rapid transit stops
    - 600 metres from the edge of the road reserve of key transit corridors.

The question

Q24: Do you support Option 1, Option 2 or something else? Why?

Summary of responses

Of those who stated a preference, submitters were primarily in support of Option 1 or something else, stating that Option 2 is further than relevant research demonstrates most people will walk. Those in support of **something else** felt the proposed approach was overly prescriptive, and that walking catchments are context-dependent and should be informed by local knowledge. They were largely in favour of councils defining walking catchments themselves using evidence-based methods.

> "Walkability depends on more than just distance, it is shaped by street layout, hills, footpaths, climate/weather and obstacles. Network-based analysis should map how people actually move, resulting in catchments that vary based on local conditions. We recommend that the Government allow councils to define walkable catchments

using local evidence and conditions. This will lead to more realistic intensification, better planning, and stronger community support." – Taituarā

Those who supported **Option 1** supported specified catchments to reduce debate and increase consistency between New Zealand Transport Agency guidance and the resource management system. Submitters requested further detail on what 'as walked' will mean, noting that it will need to consider existing pedestrian networks to ensure catchments are safe and accessible.

> "[Dunedin City Council] considers that option one is better aligned with [the New Zealand Transport Agency's] guidance on walking catchments. […] Ensuring a consistent approach between [New Zealand Transport Agency] guidance and the [Resource Management Act] would simplify planning. [Dunedin City Council] also recommends that walking catchments be assessed based on street environment and pedestrian infrastructure, including the availability of safe crossing points." – Dunedin City Council

Minimum building heights to be enabled

What was proposed

The National Policy Statement on Urban Development requires Tier 1 councils to enable building heights of at least six storeys in certain areas. The discussion document sought feedback on whether the minimum height enabled should be increased to improve development feasibility.

The questions

Q25: What are the key barriers to the delivery of four-to-six storey developments at present?

Q26: For areas where councils are currently required to enable at least six storeys, should this be increased to more than six storeys? If so, what should it be increased to? Would this have a material impact on what is built?

Q27: For areas where councils are currently required to enable at least six storeys, what would be the costs and risks (if any) of requiring councils to enable more than six storeys?

Summary of responses

Submitters listed a range of barriers to the delivery of four-to-six story developments, including:

- costs increasing with requirements under the Building Act 2004, (such as fire safety requirements), and more complex infrastructure, construction, engineering and consenting requirements (such as the requirement for discretionary resource consents)
- a lack of building standards (such as NZS 3604) for medium or high-rise buildings meaning larger scale buildings often require bespoke design and engineering solutions

- perception of limited market demand and greater risk for developers. Some submitters noted that there are no financial or regulatory incentives available to offset the potential higher risks and costs for developers
- limited firms with the skill, expertise and capacity to develop, design and construct medium-high density apartments in New Zealand
- fewer suitable sites readily available (particularly in areas with strict setbacks and/or height to boundary standards), with the prevalence of small or narrow site sizes meaning lot amalgamation is typically needed. The upfront capital required for this excludes many small-medium developers from the market
- some submitters noted that there is greater reliance on location and public investment for market attractiveness than other typologies, as community facilities, public transport, cycling and urban open spaces are all needed to make people want to live and invest in higher density housing
- natural hazard risks or geotechnical constraints.

Submitters largely **supported** enabling more than six storeys in areas currently subject to requirements to enable at least six storeys, with heights between eight to twelve storeys commonly suggested as alternatives. Submitters felt an increase would improve development viability, reduce urban sprawl and bring greater agglomeration benefits. Those **against** the increase felt councils should have discretion over the areas suitable for intensification based on local market conditions and infrastructure capacity.

> "If [the high-rise building] typology is to be offered at the average market price point, then the reality is that eight storeys are needed to achieve financial sustainability, and preferably ten." – Fletcher Living

> "Greater development capacity is always a positive but the development cost, timeframe for development and the market risk will eventually determine the product that gets built on a site. Cities grow and develop over time, and it is the encouragement of development which is needed as a city matures." – The Neil Group

> "Council considers that the existing requirements for at least six storeys in specific areas should be retained but not extended in either height or location. There needs to be flexibility available to respond to local conditions." – Upper Hutt City Council

Submitters of both perspectives felt that building height restrictions were not the main barrier to greater density, with several submitters noting councils (for example, Auckland, Hamilton, Christchurch and Tauranga) that have enabled greater heights in certain areas but are not yet seeing many developments built to maximum height. Strong incentives and infrastructure investments were highlighted as key to fully using zoned potential.

> "A significant but overlooked issue is that many developers are not maximising the potential of the existing zoned capacity, particularly regarding building heights and densities allowed under the Auckland Unitary Plan. Many developments are constructed below the maximum height limits and density provisions, which restrict the overall supply that the zoning could theoretically accommodate. Without stronger

requirements or incentives to fully utilise zoning potential, simply increasing land supply, particularly on the urban fringe, risks perpetuating inefficiencies and sprawl." – Individual Submitter

Infrastructure was identified as the main cost, with submitters noting that water and wastewater infrastructure may require significant upgrades to enable high-density development.

Other costs noted were upgrades to telecommunications and transport networks, and ensuring streets were wide enough to enable access for rubbish collection and fire and emergency services. Some submitters also noted that there would be an increased need for public open space, which councils would likely need to fund. The main risks listed were inappropriate development, loss of green space and character, and effects such as shading resulting in poor urban outcomes and form.

Offsetting the loss of development capacity

What was proposed

The National Policy Statement on Urban Development requires Tier 1 councils to enable specific heights and densities in certain high demand areas of a city, but it also provides councils with the ability to enable lower heights and densities in these areas if they can justify the reduction, either for specified reasons, or other reasons they deem appropriate. The discussion document asked for feedback on whether, and how, councils should be discouraged from reducing capacity in high demand areas (except where reductions in development capacity are necessary to accommodate specified resource management issues, such as natural hazards).

It also sought views on whether and how any lost development capacity should be offset and redistributed. For example, it discussed whether the redistribution of capacity should occur within another part of the same intensification area or catchment, or in an area with an equivalent land value (plus or minus 10 percent).

The questions

Q28: Is offsetting for the loss of capacity in directed intensification areas required in the new resource management system?

Q29: If offsetting is required, how should an equivalent area be determined?

Summary of responses

Submitters who provided feedback on these questions were divided in their support of an offsetting requirement, with approximately half **supporting** the proposal and half opposing it. Those in **support** felt offsetting provided for local discretion to avoid intensification in unsuitable areas while still ensuring good housing outcomes in well-serviced areas. Those **opposing** felt the new housing growth targets would be sufficiently enabling of density in appropriate locations without needing to offset. Some submitters felt offsetting, if not designed carefully, could legitimise the use of unlisted qualifying matters (or equivalents in the new system) and shift intensification to less well-serviced locations. Several submitters felt offsetting should only be required for councils who haven't met their housing growth targets.

> "It should be up to local authorities to balance zoning and standards to achieve the housing target. As long as housing targets can be met, offsetting an area subject to restrictions via an overlay should not be required. Indeed it would not be needed because the local authority has appropriately planned for housing growth elsewhere in their district." – Porirua City Council"

> "[New Zealand Planning Institute] supports the concept of off-setting development capacity where this relates to the use of 'unlisted qualifying matters'. […] We expect this will require a more careful consideration for how unlisted qualifying matters are used and likely result in a more appropriate distribution of intensification." – New Zealand Planning Institute

> "Council considers that restricting development in areas enabled by the [National Policy Statement on Urban Development] for intensification, particularly using unlisted qualifying matters, should not be the default approach. These areas are identified for their strategic value, including proximity to public transport, centres, and employment, and are the most suitable locations for intensification. However, where it is necessary to limit development due to an unlisted qualifying matter, offsetting the lost development capacity may be appropriate." – Greater Wellington Regional Council

Councils also noted there should be an allowance for circumstances where it is impossible to offset, for example, due to environmental or infrastructure constraints.

Submitters supported a multi-criteria approach to determining the equivalent area for offsetting, rather than either of the proposed approaches. Submitters suggested criteria could include land value, infrastructure capacity and readiness, similar or greater amenity and connection (for example, public transport access, proximity to services) and that the area was pre-identified as suitable for intensification through spatial plans.

Some submitters were against use of land value equivalency as the basis for determining where offsetting could take place on the basis it would be harder to implement, require more subjective assumptions, and would not guarantee equivalent feasibility for medium-high density development. Submitters largely felt that offsetting should require a similar typology, so that high or medium-density capacity can't be offset through greenfield extension.

> "Offsetting should be to an equivalent area in terms of accessibility and connection to services, for example, public transport. It is important for lower quality areas less suited to intensive development not be used as an 'offset' area when it does not provide for the same benefit as the original area". – Upper Hutt City Council

> "We consider equivalent land value could be a consideration, but other factors should also be included in decisions on where to intensify. This could include

proximity to services, demographics of demand, typology preferences, location." – Tasman District Council

"We consider off-setting should happen within an area that has similar housing characteristics as the area that is carved out due to qualifying matters. […] It should avoid an outcome where a greater proportion of intensification goes in places where there are poorer connections to employment, education, shopping and public transport." – New Zealand Planning Institute

Intensification in other areas

What was proposed

When introduced, policy 3(d) of the National Policy Statement on Urban Development required Tier 1 councils to enable heights and densities commensurate with the greater of:

a. the level of accessibility by existing or planned active or public transport to a range of commercial activities and community services
b. relative demand for housing and business use in that location.

This was subsequently narrowed when the Medium Density Residential Standards were introduced. The discussion document requested feedback on whether an equivalent to the original version of policy 3(d) will be needed in the new system.

The question

Q30: Is an equivalent to the National Policy Statement on Urban Development's policy 3(d) (as originally scoped) needed in the new resource management system? If so, are any changes needed to the policy to make it easier to implement?

Summary of responses

Most submitters **supported** an equivalent to policy 3(d) in the new system with changes to improve implementation. Submitters felt the policy provides a clear basis to enable intensification in areas that with strong access to jobs, services, and public transport. Some submitters felt that without an equivalent intensification may occur in areas where there is least resistance from the community, rather than in locations that are the most efficient use of land and infrastructure.

Submitters who **opposed** an equivalent to policy 3(d) in the new system felt it would become redundant through standardised zones and intensification in walking catchments. These submitters noted that given the complexity of analysis to determine accessibility and demand, the costs would be largely disproportionate to the benefits in the new system.

Submitters of both perspectives felt that the relative demand for housing in a location may not mean that an area is suitable for greater density, and that if carried over to the new system, the policy should be written to avoid enabling intensification in poorly connected areas. There was support for the equivalent policy in the new system to be tied either only to, or more strongly to, accessibility.

> “Use of ‘housing demand’ is a concern as this is highly subjective and may be contrary to achieving the outcomes of high accessibility.” – Christchurch City Council
>
> “Accessibility and demand are two separate measures without calibration to the same metric. While there is generally sound planning behind increasing density in areas with good accessibility, the same cannot be said of demand. High demand (high land value) can be related to other factors (e.g. coastal views, neighbourhood character). Enabling more density in areas with high demand but without high accessibility would add reliance on private vehicle trips. A key risk is targeting intensification in locations unsupported by proximity to centres, with low levels of accessibility (and potentially more sensitive environments).” – Auckland Council
>
> “Relative demand is difficult to quantify and justify consistently within and between metro areas. National direction could simplify this by requiring land value to be used as an indicator of relative demand. Land value, however, is not the only indicator of areas that are suitable for intensification. The Council supports the use of land value alongside other indicators such as access to local amenities and services to allow for intensification in those areas not captured by the triggers in new legislation.” – Wellington City Council

Several changes were suggested to improve implementation, the primary one being clearer definitions and guidance on data requirements and decision-making criteria for example, how accessibility should be assessed, including metrics such as walkability, transit frequency, and proximity to essential services. Submitters also requested that the policy consider infrastructure capacity. Councils advocated for the analysis and modelling to be designed in a way that uses in-house council Geographic Information System resources (rather than requiring consultants), where possible.

Topic 7: Enabling a mix of Uses Across Urban Environments

The discussion document sought feedback on how best to enable a mix of uses across urban environments within the new resource management system.

The questions

Q31: What controls need to be put in place to allow residential, commercial and community activities to take place in proximity to each other without significant negative externalities?

Q32: What areas should be required to use zones that enable a wide mix of uses?

Summary of responses

There was **broad support** (in principle) amongst submitters for enabling a greater mix of uses across urban environments. Submitters in favour of enabling a greater mix of uses noted its potential to encourage vibrant, liveable and sustainable urban environments, while supporting walkability, local economies and efficient infrastructure use.

Submitters were supportive of controls and minimum standards in mixed-use zones to manage effects such as noise, traffic, odour, hours of operation, light spill, parking and commercial servicing. Some submitters noted that controls should also be used to manage and protect against environmental and infrastructure constraints.

There was difference in opinion between individual and council submitters about where a mix of uses should be enabled should occur. Individual submitters were generally in favour of enabling a mix of uses in all residential zones, while councils generally opposed a 'blanket' approach to enabling a mix of uses, advocating for strategic placement with most support for a mix of uses in and around city, town and local centres, near public transport and in walkable catchments.

Councils in particular advocated for the protection of 'centre hierarchies',[2] warning that widespread enablement of a mix of activities could undermine the viability of established centres, dilute investment and lead to ad-hoc development.

> "People in outer suburbs should not be required to travel into centres just to work, when they could just as easily work close to home. This would support local employment, reduce commuting, and give communities more flexibility in how they grow and operate. In general, land-use within zones should be constrained only where there are demonstrable, objective issues requiring zoning rules." – Individual Submitter

> "New commercial or office activities should align with the established centres hierarchy to avoid undermining existing Centres. Unplanned shifts in economic activity can dilute the function of core centres, reduce infrastructure efficiency, and lead to dispersed, car-dependent growth patterns. Controls should therefore ensure that new mixed-use development complements, rather than competes with, existing

[2] Centres hierarchies reflect classifications used by councils to determine which activities can take place in which locations and under which conditions. Councils often use hierarchies to concentrate commercial activities in existing city, metropolitan, town or local centres, to avoid a 'spreading out' of commercial activity.

centres supporting coordinated urban growth and the efficient use of resources while meeting the everyday needs of communities." – Waikato District Council

Other common submission points included:

- The benefits of enabling a mix of uses should be balanced against risks to public health (for example, industrial and some commercial activity which could harm human health should be separated from residential areas)
- There is a positive opportunity for mixed-use zoning to better enable Māori housing, papakāinga, marae and community facilities. Submitters noted, however, that this would need to be designed in partnership with mana whenua and reflect local needs
- It is important that local discretion is maintained to enable flexibility for councils to determine where and how mixed use is applied to reflect local infrastructure, transport, community needs and market economics. For example, some submitters argued enabling a mix of uses may be less appropriate in rural or low-growth areas
- High-quality urban design, such as design review, landscaping, building separation and interface standards, is needed to ensure good outcomes within mixed-use zones, and
- Public spaces and green infrastructure are important for supporting mixed-use environments, and that mixed-use development must be supported by adequate infrastructure (for example, transport and waste).

Topic 8: Minimum Floor Area and Balcony Requirements

What was proposed

Cabinet has agreed to narrow the approach to effects management in the new system, basing it on the economic concept of ‘externalities’. This means land use effects borne solely by the party undertaking the activity will generally not fall within the scope of the new system. The discussion document proposed that on this basis, standardised zones will not set minimum floor areas or require balconies, and the National Policy Statement on Urban Development requirement to not set minimum car parking will be carried over. It noted that requirements which disproportionately affect development feasibility, particularly those not meeting the definition of an externality, will also be considered for removal in the new system.

The question

Q33: Which rules under the current system do you consider would either not meet the definition of an externality or have a disproportionate impact on development feasibility?

Summary of responses

Submitters had **mixed opinions** on this proposal. Approximately half of submitters who responded to this question **supported** not including floor area and balcony requirements as part of the new system and narrowing the scope of what is managed by consenting. Some submitters felt these requirements added time and cost to developments and it should be up to the market to determine what is built, and others thought these controls were not needed because there were other ways to regulate for similar outcomes through the planning system. Submitters supported the intention to provide for a broad range of housing choices and price points.

Submitters who were **against** not including these requirements in the new system stated that a market-led approach may provide low-quality housing that affects occupant health and wellbeing and has a public cost. Submitters felt the proposed change could result in low-income households and first-time buyers ending up in low-quality housing, and that it could reduce the desirability of high-density housing for the general public. Many of these submitters suggested keeping certain regulations only for high-density buildings or developing clear design guidelines ensure healthy living standards.

> “We support the exclusion of minimum floor area and balcony requirements, whether as standards or matters of discretion, from standardised zones. These aspects of design are typically shaped by market demand and lending practices rather than planning regulations. […] Allowing greater flexibility supports more diverse and affordable housing options.” – Property Council New Zealand

> “[Bank of New Zealand] notes the proposal to remove minimum floor area and balcony requirements and we broadly agree that unnecessary regulation can add cost. However, we submit that some baseline standards, such as ensuring dwellings are warm, dry and functional, support both buyer confidence and the long-term value of housing.” – Bank of New Zealand

> "The absence of minimum standards risks normalising poor-quality housing, especially in competitive markets where affordability pressures drive down unit size. This could lead to long-term consequences for resident wellbeing, community cohesion, and housing equity. We therefore recommend that the new system retain minimum floor area and balcony provisions, or alternatively, introduce performance-based design standards that ensure liveability without being overly prescriptive." – Hamilton City Council

Some councils raised that the cost of removing these requirements may be passed onto them, as residents could look to them to compensate for the absence of private outdoor living space (for example, through accessible public open spaces) and bike parking.

Submitters suggested several additional rules for removal. Some of these they did not feel met the definition of an externality, including landscaping (except for management of stormwater runoff), internal layout, sunlight access and the decor of buildings, while others were flagged as particularly limiting development feasibility and affordability, including bicycle parking, height to boundary rules, outlook, outdoor living space and road boundary setbacks.

> "Setback requirements from the road in higher density zones can hinder the development of more efficient built forms such as terraced housing and mixed-use developments, which are essential for urban intensification. Additionally, rules around outlook areas in lower density residential zones, mandatory north-facing glazing, and minimum garage spaces can limit design innovation and affordability, often without delivering proportional benefits to amenity or the wider public." – Waikato District Council

> "Blanket height-in-relation-to-boundary (recession planes) and setbacks make 4–6 storeys unbuildable on typical lots." – Ngāi Tai ki Tāmaki

There was some debate about where the line of an externality is drawn, with some submitters advocating that minimum floor areas could meet the definition of managing an externality. Some submitters requested that the new system provide clear guidance on how externalities are defined and assessed, to provide clarity about what matters may be regulated for.

No submitters **opposed** the proposal to carry over National Policy Statement on Urban Development requirements to not set minimum car parking.

Topic 9: Targeting of Proposals

What was proposed

To ensure requirements are appropriately targeted, the National Policy Statement on Urban Development identified three tiers of urban environments, with graduated requirements applying to each tier. Councils within the same urban environment are allocated to the same tier. The discussion document sought feedback on the approach to targeting requirements.

The question

Q34: Do you consider changes should be made to the current approach on how requirements are targeted? If so, what changes do you consider should be made?

Summary of responses

Submitters largely **supported** maintaining the tiered approach to requirements in the National Policy Statement on Urban Development.

Some submitters suggested requirements could be further tailored based on housing need, rate of growth and infrastructure capacity. Councils with a small population but high growth or housing need noted that the current tiered requirements does not consider their situation.

Some submitters felt that smaller councils needed more targeted support for addressing growth, and that it would be valuable to extend requirements to monitor housing supply. Other submitters cautioned against further mandatory evidence requirements for small councils which may be experiencing little or no growth, as the benefits of more detailed requirements would not outweigh the costs.

> "While tiered requirements remain a useful way to match regulatory effort with likely benefits, the targeting could be refined to better reflect infrastructure capacity and environmental context. For example, some low-growth centres may not warrant the full suite of assessment and planning obligations, while high-growth areas outside current Tier 1 boundaries may need stronger provisions." – Tuia Pito Ora New Zealand Institute of Landscape Architects

> "While assessing housing demand and capacity is essential for tracking progress in addressing housing stress, non-tiered councils, many of which also face significant housing pressures, currently lack an appropriate mechanism under the current system to respond to these challenges. In this context, Horizons recommends extending the requirement to monitor housing demand and supply to non-tiered councils, using a flexible and proportionate approach. Rather than mandating full [housing and business development capacity assessments] as prescribed in the [National Policy Statement on Urban Development], the new system should provide simplified assessment frameworks tailored to local scale and resource availability." – Horizons Regional Council

Few submitters mentioned the approach that councils within the same urban environment are allocated to the same tier, but those that did were generally in favour of retaining it, with adjustments to ensure requirements are beneficial and that there is sufficient support for smaller councils. Smaller councils felt the requirements had been beneficial, but proposed changes to reduce costs, including a requirement for main city councils to lead implementation, increased implementation guidance, and greater consistency in modelling methodologies, assumptions and inputs.

> "While undertaking a [housing and business development capacity assessment] does impose costs onto the council, it has been extremely beneficial in understanding our demand and supply for the Waikato and is especially important as the district boarders the two fastest growing cities in New Zealand (Auckland and Hamilton)." – Waikato District Council

Topic 10: Impact of Proposals on Māori

What was proposed

The discussion document sought feedback on the impact of proposals on Māori.

The question

Q35: Do you have any feedback on how the Going for Housing Growth proposals could impact on Māori?

Summary of responses

Submitters who responded to this question considered there was the potential for positive impacts of the proposals on Māori. These included:

- increased housing supply could improve access to affordable, quality housing for Māori,
- enabling a mix of uses may support culturally responsive developments like papakāinga, integrating marae, community spaces and businesses, and
- loosening land use restrictions may benefit Māori landowners by enabling more timely development.

There was clear concern, however, that there could be negative outcomes for Māori if proper precautions are not taken. For example:

- urban intensification could displace Māori communities and inflate land or infrastructure costs
- standardised zoning and national direction could reduce local decision-making and mana whenua input
- more centralised policy settings and reduced opportunities for local government engagement risks marginalising Māori voices, excluding Māori from decision-making and breaching Te Tiriti o Waitangi obligations, and
- environmental impacts from growth may affect cultural values and relationships with whenua (land) and environmental features, for example, waterways.

Some submitters, including iwi and post-settlement government entities, raised that there are broader settings and historical actions which limit the ability for Māori housing development, including on whenua Māori, which are not addressed by these proposals. These include Te Ture Whenua Māori Act 1993 settings, access to finance and the type and location of land typically returned to iwi via Te Tiriti o Waitangi settlement redress. Submitters noted that these wider settings are likely to significantly reduce the effectiveness of pillar 1 proposals for Māori.

Submitters suggested concerns and risks could be mitigated through actions such as recognising Te Tiriti o Waitangi principles and customary rights in the new resource management system, requiring culturally responsive planning such as planning documents that reflect tikanga, mātauranga Māori and cultural values, and including mana whenua engagement early in spatial and other relevant processes.

“The proposed moves toward standardisation and centralisation may limit the ability of Māori, especially iwi and hapū, to shape planning processes in ways that reflect their tikanga, mātauranga, and whenua-related values.” – Auckland Council

“The vast majority of Māori land and Treaty settlement whenua lies on the rural periphery of urban areas. […] Treaty settlement land is a largely untapped and well-located resource that can be part of the solution to enabling housing and infrastructure growth […] Māori land and iwi strategic developments must not be constrained by the Future Spatial Planning process and should be supported and enabled through subsequent planning processes.” – Te Kawerau ā Maki

“Unlocking housing and economic opportunities on whenua Māori often requires tailored interventions beyond zoning changes, such as infrastructure servicing solutions, funding mechanisms, and planning provisions that enable papakāinga, kaumātua housing, and marae-based development. National proposals should work alongside these tailored solutions rather than assume generic growth provisions will address existing barriers.” – Gisborne District Council

Topic 11: Other Matters

What was proposed

This section provided space for feedback related to Going for Housing Growth not captured by questions asked in the discussion document.

The question

Q36: Do you have any other feedback on Going for Housing Growth proposals and how they should be reflected in the new resource management system?

Summary of responses

There were some common themes raised by submitters which were not explicitly captured by the discussion document questions. These include:

- the strategic intent behind Pillar 1
- implementation and interaction with other national direction, and
- Going for Housing Growth Pillars 2 and 3.

Some submitters also advocated for the design of further mechanisms in the new system to better enable the provision of affordable housing. Suggestions included integrating affordability metrics into housing growth targets and capacity assessments, investigating use of inclusionary zoning and providing greater incentives for affordable housing.

Strategic intent behind Pillar 1

Some submitters queried the strategic intent behind Pillar 1 (freeing up land for development) and noted the potential negative effects of unrestrained urban expansion on highly productive land and the environment.

The New Zealand Initiative raised concerns that Pillar 1 proposals continue to embed prevailing planning practices that constrain land and development options, and therefore reduce the possibility of Pillar 2 and Pillar 3 of Going for Housing Growth being effective. It recommended that Government decouple spatial plans from council finance and adopt a narrow spatial planning model, abandon capacity forecasting as a basis for zoning and implement a standardised zoning template system grounded in sound property rights logic and allocative efficiency.

Implementation and interaction with other national direction

Submitters highlighted a need for guidance and training for council staff to support implementation of resource management reform and proposed requirements, particularly given the variation in technical ability and resourcing across councils. Some councils also noted the cost of the proposals (particularly against pressure to cut costs and limit rates increases) may be difficult to achieve and stated that additional funding support would also be beneficial.

> "Education and training for local council staff is key to improving the effectiveness of housing and urban development under the new resource management system. When staff are well-equipped with the right skills and knowledge, they can make

informed, consistent decisions and handle resource consent processes more efficiently. This not only speeds up approvals and reduces delays but also helps local councils align development with long-term urban planning goals. To support this, we recommend a nationally consistent approach to training and guidance. The Planning Tribunal could play a role in developing guidance materials for local councils, helping to build capability, promote consistent decision-making, and ensure the new system is implemented effectively across regions." – Property Council New Zealand

Several submitters stated the importance of alignment between the new system and other current Government initiatives or pieces of work for example, regional deals, regional land transport plans, the National Infrastructure Plan and Rautaki Hanganga o Aotearoa, the Infrastructure Strategy. A coordinated implementation strategy across agencies and work streams was considered essential to achieving policy outcomes.

Some submitters also highlighted the importance of ensuring alignment and consistency with other pieces of national direction including the national direction on freshwater management, natural hazards, infrastructure and highly productive land with the Going for Housing Growth proposals. Submitters highlighted aspects of these pieces of national direction which are perceived to contradict or are not aligned with proposals, including the above-mentioned need to consider natural hazards in planning, and the tension between preserving highly productive land and enabling greater urban expansion.

> "The discussion document also remains silent on the interactions with the National Policy Statement on Highly Productive Land. […] While the Government recently consulted on removing LUC3 land from this list, that still leaves very considerable areas of LUC 1 and 2 land on the immediate margins of many of our cities: Auckland, Hamilton, Hastings and Christchurch in particular. That raises a question as to how effective removing urban growth boundaries is likely to be in terms of improving competition in urban land markets (particularly if land subject to natural hazard risk is considered alongside highly productive land)." – Parliamentary Commissioner for the Environment

Going for Housing Growth Pillars 2 and 3

Several submitters raised other factors that must be factored into the design of the new resource management system to achieve Going for Housing Growth goals. Many of these are provided for under Pillars 2 of Going for Housing Growth, with submitters providing suggestions related to the creation of the development levy system and changes to the Infrastructure Funding and Financing Act 2020. Some submitters noted that the successful implementation of Pillar 2 and 3 would be critical to achieving the goals of Pillar 1.

> "We emphasise that these recommendations cannot be implemented without coordinated legislative reform across multiple statutes, reaching into the territory of the Local Government Act 2002 and Infrastructure Funding and Financing Act 2020. The system replacement will require more than just new planning legislation."

> “Pillar 1 is a necessary precondition, but cannot succeed in isolation. If implemented without Pillars 2 and 3, it risks creating the appearance of abundance while maintaining the structural bottlenecks that prevent actual development […] A system that merely enables land use on paper, while denying the ability to finance and organise development in practice, will fail to create credible supply.” – The New Zealand Initiative

More broadly, The New Zealand Initiative suggested that Pillar 3 should be fundamentally reenvisioned to focus on allowing communities that benefit from development to form special purpose governance entities with powers to raise finance independently of council budgets, deliver infrastructure and capture value increases to pay for it, and coordinate land assembly and development without council gatekeeping.

Some submitters raised concerns with the limitations of ‘growth paying for growth’, stating that further funding mechanisms for infrastructure would need to be developed in Pillar 2, as well as further central government investment. Some councils stated they are yet to see a plan or investment from central government into the health or education infrastructure needed to support further growth.

> “The [Going for Housing Growth] proposals reference changes to infrastructure funding and financing […] exploring mechanisms such as infrastructure levies to help ensure that "growth pays for growth." While we support this intent, we are concerned that the proposed solutions are overly simplistic and may not sufficiently address the financial challenges associated with growth, particularly in light of increasing constraints on central government funding for public and active transport projects, and wastewater and water treatment facilities that have sufficient capacity.” – Horizons Regional Council

Topic 12: Transitioning to Phase Three

What was proposed

Tier 1 and 2 councils are currently required under the National Policy Statement on Urban Development to prepare or review housing and business development capacity assessments and future development strategies in time to inform 2027 long-term plans. The discussion document sought feedback on whether this should be required ahead of implementation of phase three of resource management reforms.

The question

Q37: Should Tier 1 and 2 councils be required to prepare or review their housing and business development capacity assessments and future development strategies in accordance with current National Policy Statement on Urban Development requirements ahead of 2027 long-term plans? Why or why not?

Summary of responses

Housing and business development capacity assessments

Submitters who responded to this question (predominantly councils) were equally split on whether housing and business development capacity assessment requirements should be maintained.

Those in **favour** of maintaining requirements felt the updated data from housing and business development capacity assessments will be an important input into the creation of spatial plans under the new system, as well as necessary for infrastructure funding and staging and 2027 long-term plans. Those **against** maintaining requirements mentioned concern that given the proposed changes to housing and business development capacity assessments (for example, calculating development capacity and housing growth targets), the data gathered would soon become redundant, and so, to avoid unnecessary use of resources, annual and quarterly reviews could provide an interim measure to inform long-term plans, spatial plans and infrastructure decisions, as well as to assess growth against previous projections.

Future development strategies

Submitters were largely **against** maintaining future development strategy requirements.

Those **against** maintaining requirements noted that given the proposed timing of transition to the new system, the focus should instead be on implementation of existing future development strategies and continuing the long-term strategic growth planning and analysis needed to support the development of spatial plans under the new system.

Those in **favour** of future development strategy requirements being maintained mentioned the need for an up-to-date strategic document and evidence base to inform growth planning and spatial plans in the new system. Some raised concerns that removing these requirements could result in a lack of consistency in long-term planning.

Consultation Questions

Urban development in the new resource management system

Q1. What does the new resource management system need to do to enable good housing and urban development outcomes?

Design details of Going for Housing Growth

Future development strategies and spatial planning

Q2. How should spatial planning requirements be designed to promote good housing and urban outcomes in the new resource management system?

Housing growth targets

Q3. Do you support the proposed high-level design of the housing growth targets? Why or why not?

Providing an agile land release mechanism

Q4. How can the new resource management system better enable a streamlined release of land previously identified as suitable for urban development or a greater intensity of development?

Determining housing growth targets

Q5. Do you agree with the proposed methodology for how housing growth targets are calculated and applied across councils? Are there other methods that might be more appropriate for determining Housing Growth Targets?

Q6. How should feasibility be defined in the new system? If based on profitability, should feasibility modelling be able to allow for changing costs and/or prices?

Calculating development capacity

Q7. How should feasibility be defined in the new system?

Q8. If the design of feasibility is based on profitability, should feasibility modelling be able to allow for changing costs or prices or both?

Q9. Do you agree with the proposal to replace the current 'reasonably expected to be realised' test with a higher-level requirement for capacity to be 'realistic'?

Q10. What aspects of capacity assessments would benefit from greater prescription and consistency?

Infrastructure requirements

Q11. Should councils be able to use the growth projection they consider to be most likely for assessing whether there is sufficient infrastructure-ready capacity?

Q12. How can we balance the need to set minimum levels of quality for demonstrating infrastructure capacity with the flexibility required to ensure they are implementable by all applicable councils?

Q13. What level of detail should be required when assessing whether capacity is infrastructure-ready? For instance, should this be limited to plant equipment (e.g. treatment plants, pumping stations) and trunk mains/key roads, or should it also include local pipes and roads?

Responding to price efficiency indicators

Q14. Do you agree with the proposed requirement for council planning decisions to be responsive to price efficiency indicators?

Business land requirements

Q15. Do you agree that councils should be required to provide enough development capacity for business land to meet 30 years of demand?

Responsive planning

Q16. Are mechanisms needed in the new resource management system to ensure councils are responsive to unanticipated or out-of-sequence developments? If so, how should these be designed?

Q17. How should any responsiveness requirements in the new system incorporate the direction for 'growth to pay for growth'?

Rural-urban boundaries

Q18. Do you agree with the proposal that the new resource management system is clear that councils are not able to include a policy, objective or rule that sets an urban limit or a rural-urban boundary line in their planning documents for the purposes of urban containment? If not, how should the system best give effect to Cabinet direction to not have rural-urban boundary lines in plans?

Q19. Do you agree that the future resource management system should prohibit any provisions in spatial or regulatory plans that would prevent leapfrogging? If not, why not?

Q20. What role could spatial planning play in better enabling urban expansion?

Intensification

Key public transport corridors

Q21. Do you agree with the proposed definitions for the two categories of 'key public transport corridors'? If not, why not?

Q22. Do you agree with the intensification provisions applying to each category? If not, what should the requirements be?

Q23. Do you agree with councils being responsible for determining which corridors meet the definition of each of these categories?

Intensification catchments sizes

24. Do you support Option 1, Option 2 or something else? Why?

Minimum building heights to be enabled

Q25. What are the key barriers to the delivery of four-to-six storey developments at present?

Q26. For areas where councils are currently required to enable at least six storeys, should this be increased to more than six storeys? If so, what should it be increased to? Would this have a material impact on what is built?

Q27. For areas where councils are currently required to enable at least six storeys, what would be the costs and risks (if any) of requiring councils to enable more than six storeys?

Offsetting the loss of development capacity

Q28. Is offsetting for the loss of capacity in directed intensification areas required in the new resource management system?

Q29. If offsetting is required, how should an equivalent area be determined?

Intensification in other areas

Q30. Is an equivalent to the National Policy Statement on Urban Development's policy 3(d) (as originally scoped) needed in the new resource management system? If so, are any changes needed to the policy to make it easier to implement?

Enabling a mix of uses across urban environments

Q31. What controls need to be put in place to allow residential, commercial and community activities to take place in proximity to each other without significant negative externalities?

Q32. What areas should be required to use zones that enable a wide mix of uses?

Minimum floor area and balcony requirements

Q33. Which rules under the current system do you consider would either not meet the definition of an externality or have a disproportionate impact on development feasibility?

Targeting of proposals

Q34. Do you consider changes should be made to the current approach on how requirements are targeted? If so, what changes do you consider should be made?

Impacts of proposals on Māori

Q35. Do you have any feedback on how the Going for Housing Growth proposals could impact on Māori?

Other matters

Q36. Do you have any other feedback on Going for Housing Growth proposals and how they should be reflected in the new resource management system?

Transitioning to Phase Three

Q 37. Should Tier 1 and 2 councils be required to prepare or review their housing and business development capacity assessments and future development strategies in accordance with current National Policy Statement on Urban Development requirements ahead of 2027 long-term plans? Why or why not?