



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

Discussion paper

June 2025

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June 2025

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Making a submission

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Te Tūāpapa Kura Kāinga and the Ministry for the Environment seek written submissions on the proposals raised in this document by 17 August 2025. We have included proposals and questions throughout the document. You may comment on any or all of the proposals and we also welcome any other relevant information, comments, evidence and examples.

Please include your name, or the name of your organisation, and contact details.

You can make your submission by emailing your submission to gfhg@hud.govt.nz.

Use of information

Your submission will help the Government to develop the new resource management system and may inform other policy development where relevant. Ministry officials (from either ministry) may contact submitters directly if we require clarification of any matters in submissions.

Release of information

We may publish a summary of the feedback we receive on this paper. This could include a summary of submitters' views and may include the names of individuals or organisations that have made submissions.

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Further information

If you have any questions or would like more information about the process for making submissions, please email gfhg@hud.govt.nz.

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Message from the Minister

I am pleased to present this discussion document on our Going for Housing Growth Pillar 1 proposals and their integration into the new resource management system.

These proposals will support the new resource management system to make a significant step towards building on the Government's progress toward ending New Zealand's housing crisis.



Housing in New Zealand is too expensive because we have made it ridiculously hard for our cities to grow. Fixing this planning problem is one of the most important steps toward fixing our housing crisis, and will improve our economy, increase productivity, improve intergenerational equity, and decrease material hardship.

The Going for Housing Growth programme is structured around three pillars, with Pillar 1 focusing on freeing up land for development and removing unnecessary planning barriers.

This pillar is crucial for creating a more flexible and responsive housing market. Key components include new housing growth targets which would require councils to enable at least 30 years of housing capacity in their district plans, prohibiting rural/urban boundary lines in planning documents to ensure greenfields housing developments can be built at urban fringes, and strengthening urban intensification requirements.

We're also proposing that councils are required to better enable mixed-use developments in our cities, which will make them more liveable and connected. Removing district plan controls that don't relate to effects on other people or the environment, such as balcony requirements and minimum floor areas, will help reduce the cost of housing.

The Going for Housing Growth Pillar 1 proposals represent a bold and necessary step towards solving New Zealand's housing crisis which address the root causes of the crisis.

I encourage you to use this discussion document to share your insights and feedback as we work together to build a brighter housing future.

A handwritten signature in blue ink, reading "Chris Bishop".

Hon. Chris Bishop
Minister of Housing
Minister Responsible for RMA Reform

Part A: Introduction

Overarching context

1. New Zealand is experiencing a long-running housing crisis with a range of barriers to housing supply inflating house and land prices, and our housing does not meet the needs of people and communities. Our cities are not functioning as well as they could. They are struggling to keep up with growth, in many cases subject to inflexible land use settings, and not maximising their potential as dynamic places of opportunity for both people and businesses. These issues are having far-reaching consequences including dampening economic growth and stymying productivity, locking young people out of the housing market and resulting in high government expenditure on housing support.
2. The Government has committed to several programmes of work to address New Zealand's housing crisis. This includes:
 - a. Going for Housing Growth
 - b. reforms to the resource management system
 - c. improvements to the rental market
 - d. building and construction changes
 - e. delivering better social housing.
3. This discussion document seeks feedback on how to give effect to Going for Housing Growth in the new resource management system.

About the new resource management system

4. The Government has been engaging in a three-phase reform of the resource management system.
 - a. Phase One involved the repeal of the Natural and Built Environment Act and the Spatial Planning Act. This was completed in December 2023.
 - b. Phase Two includes targeted changes within the current resource management system to improve its performance. This includes:
 - i. Fast-track Approvals Act 2024
 - ii. Resource Management (Freshwater and Other Matters) Amendment Act 2024
 - iii. Resource Management (Consenting and Other System Changes) Amendment Bill
 - iv. a programme of changes to national direction instruments.
 - c. Phase Three involves the replacement of the Resource Management Act 1991 (RMA) with two new acts: a Natural Environment Act and a Planning

Act. The Government intends to introduce these to Parliament by the end of 2025.

5. Phase Three is discussed further in **Part B** of this document.

Current requirements for councils

6. Currently, many councils are subject to requirements set out in the National Policy Statement on Urban Development 2020 (NPS-UD), and the Medium Density Residential Standards (MDRS).
7. The NPS-UD applies to all urban environments, categorised into the three tiers outlined in Table 1 below. Different requirements apply to councils in different tiers, as discussed further in **Part C**.

Table 1: Tier 1, 2 and 3 urban environments in the NPS-UD

Tier 1	Tier 2	Tier 3
<ul style="list-style-type: none"> • Auckland • Hamilton • Tauranga • Wellington • Christchurch 	<ul style="list-style-type: none"> • Whangārei • Rotorua • New Plymouth • Napier and Hastings • Palmerston North • Nelson Tasman • Queenstown • Dunedin 	<p>All other urban environments (Defined as any area of land (regardless of size, and irrespective of local authority or statistical boundaries) that: (a) is, or is intended to be, predominantly urban in character; and (b) is, or is intended to be, part of a housing and labour market of at least 10,000 people) that are not in tier 1 or 2.</p>

8. Amongst other things, the NPS-UD requires specified councils to:
- a. plan for well-functioning urban environments
 - b. provide sufficient development capacity to meet demand for housing and business land
 - c. identify how development capacity will be provided in the medium-to-long-term, through Future Development Strategies
 - d. provide for appropriate levels of intensification
 - e. be responsive to unanticipated or out-of-sequence development proposals
 - f. not include minimum car parking requirements in their district plans.
9. The MDRS requires tier 1 councils¹ to permit up to three houses of up to three storeys per site as of right in urban areas.

¹ And Rotorua Lakes District Council, which 'opted in' to the MDRS

About Going for Housing Growth

10. 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.
11. Going for Housing Growth is an initiative structured around three pillars which span a range of legislation and work programmes across government. These are:
 - a. Pillar 1 – Freeing up land for urban development, including removing unnecessary planning barriers
 - b. Pillar 2 – Improving infrastructure funding and financing to support urban growth
 - c. Pillar 3 – Providing incentives for communities and councils to support growth.

Pillar 1: Freeing up land for urban development and removing unnecessary planning barriers

12. In July 2024, the Government announced high-level policy decisions on Pillar 1 of Going for Housing Growth. This announcement included proposals to:
 - a. introduce new housing growth targets for Tier 1 and 2 councils, requiring them to enable 30 years of feasible housing capacity in their district plans using 'high' household growth projections
 - b. strengthen the intensification requirements on Tier 1 councils, including a requirement to enable intensification along key transport corridors, offset development capacity lost due to reasons such as 'special character' and enable intensification across urban areas in line with demand and accessibility
 - c. provide for a greater mix of uses (such as allowing dairies and cafes close to where people live) across urban environments
 - d. prohibit councils from imposing rural-urban boundary lines in planning documents
 - e. investigate options to require councils to spatially plan for 50 years of growth (up from 30) and be more responsive to private plan changes
 - f. prohibit councils from setting minimum floor area or balcony requirements
 - g. make the MDRS optional for councils.

Why is Pillar 1 of Going for Housing Growth needed?

13. The overall objective of Going for Housing Growth is to improve housing affordability by significantly increasing the supply of developable land for housing, both inside and at the edge of our urban areas.

14. Pillar 1 is focused on the resource management system. While the resource management system is not the only driver of the housing crisis, New Zealand's urban land markets are not as competitive, or well-functioning, as they could be. New Zealand needs a resource management system that supports competitive urban land markets and enables growth in our cities, provides for the diverse housing needs of our people and communities, and manages our built and natural resources well.
15. Over recent times, national direction and RMA amendments² have sought to increase development opportunities in urban areas. However, lessons from the implementation of these instruments, evidence about restrictive planning rules, and the operation of the current resource management system more generally, mean that there are opportunities to further promote well-functioning and competitive urban land markets in the new resource management system.
16. The Pillar 1 proposals are intended to increase development capacity available for housing and business uses, improve land use flexibility and remove unnecessary planning barriers, and provide for well-functioning urban environments. The changes are aimed at ensuring that councils are providing an abundance of development capacity, including in areas of high demand and accessibility, while providing more certainty for councils and communities about what is required.

How Pillar 1 of Going for Housing Growth will be implemented

17. Pillar 1 of Going for Housing Growth was originally intended to be implemented through Phase Two of the resource management reforms through a combination of:
 - a. changes to the NPS-UD, as part of the national direction programme
 - b. changes to make the MDRS optional and compliance and enforcement provisions of the Resource Management Act 1991 via the Resource Management (Consenting and Other System Changes) Amendment Bill.
18. 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. This is to minimise the need for costly and time-consuming changes to council plans under the current system, which could delay implementation of Phase Three. It will also introduce new opportunities for how the policies are delivered and ensure the system changes are efficient and enduring.
19. This approach has implications for the Resource Management (Consenting and Other System Changes) Amendment Bill. The Environment Select Committee has considered the Bill and provided its report back on 11 June 2025. One of the key recommendations made by the Select Committee was to retain the

² Including the National Policy Statement on Urban Development Capacity 2016 (NPS-UDC 2016), the NPS-UD and the MDRS.

existing requirement for Tier 1 councils (and Rotorua District Council) to implement the Medium Density Residential Standards, with the exception of Auckland Council and Christchurch City Council (which will be subject to alternative requirements to reflect their specific circumstances). For all other councils, the requirement to have the Medium Density Residential Standards will now be removed as part of Phase Three of resource management reform (replacement of the RMA).

Interaction with Pillars 2 and 3

20. Pillar 2 of Going for Housing Growth is about improving infrastructure funding and financing settings to help get more housing built. This includes:
 - a. replacing the development contributions regime with a development levy system
 - b. making changes to improve the Infrastructure Funding and Financing Act 2020
 - c. improving the flexibility of targeted rates for growth infrastructure.
21. As a package these changes will provide councils and developers with a flexible funding and financing toolkit to respond to growth pressures and deliver infrastructure to land zoned for housing development. This is expected to limit the financial impact of growth on councils and ratepayers.
22. Pillars 1 and 2 of Going for Housing Growth are intended to work together in a mutually reinforcing package, with the packages being designed in parallel. Pillar 1 involves freeing up more land for development, while Pillar 2 makes it easier to provide infrastructure to support this development. Legislation to provide for Pillar 2 is expected to be passed by the time councils begin implementing the new resource management system.
23. Pillar 3 is about providing the incentives for councils and communities to support growth. Decisions on Pillar 3 are expected to be taken by the end of 2025.

Purpose of this discussion document

24. This discussion document sets out:
 - a. discussion of the new resource management system and how it could provide better housing and urban development outcomes
 - b. proposals for the design of Going for Housing Growth requirements in the new system for feedback.
25. This document is an opportunity to test how Going for Housing Growth proposals could be implemented in the design of the new resource management system. It is focused on the previously announced Going for Housing Growth proposals and does not cover the breadth of housing and urban issues in the new system. There will be other opportunities to engage on the new system, such as through the select committee process on the Planning

Bill and Natural Environment Bill and consultation on the detailed design of national direction of the new resource management system

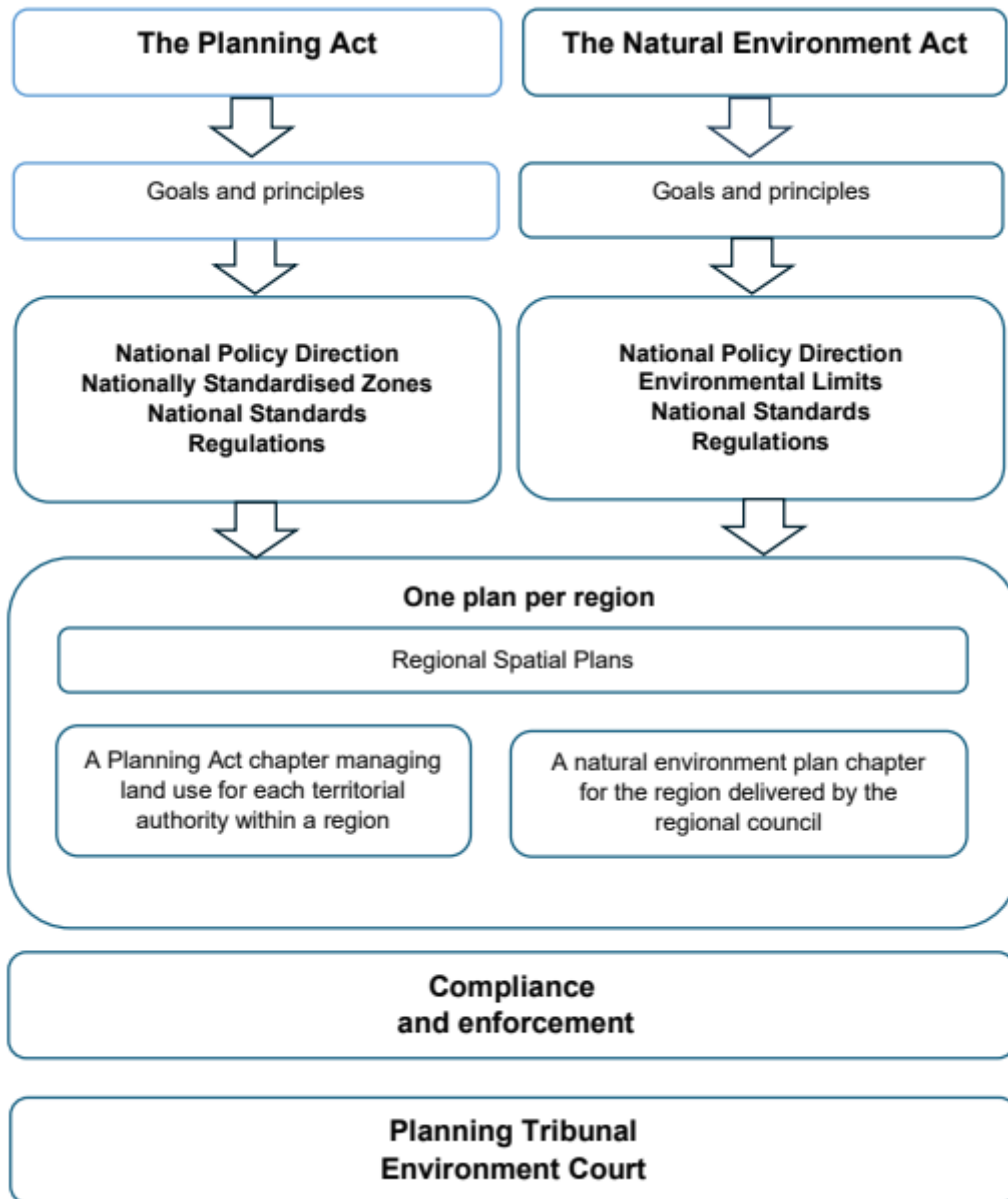
26. The feedback we receive will be used to shape the development of the new resource management system, through informing officials' thinking on policy development for Phase 3 of resource management reform.
27. This document should be distinguished from the statutory consultation taking place in parallel on the Phase Two national direction programme, which contains 16 proposals for new or amended RMA national direction. Further information on the Phase Two national direction consultation programme is available on the [Ministry for the Environment's national direction website](#).

Part B: Urban development in the new resource management system

Introduction

28. As discussed in the previous section, Phase Three of the resource management reforms will replace the RMA with new legislation.
29. Following a review led by the Resource Management Expert Advisory Group (RM EAG), Cabinet has agreed to replace the RMA with two Acts:
 - a. a Planning Act focused on regulating the use, development and enjoyment of land
 - b. a Natural Environment Act focused on the use, protection and enhancement of the natural environment.
30. Cabinet has agreed to narrow the scope of the resource management system and the effects it controls, with the enjoyment of property rights as the guiding principle, specifically by agreeing to:
 - a. a narrowed approach to effects management based on the economic concept of “externalities”. An externality is a cost or benefit resulting from one party’s activities that falls on an uninvolved third party. This means that effects that are borne solely by the party undertaking the activity will not be controlled by the new system.
 - b. raising the threshold for the level of adverse effects on people and the environment that can be considered in setting rules and determining who may be affected by a resource consent.
31. Other key agreed features of the new resource management system include greater standardisation, including standardised land use zones and overlays, and use of spatial planning.
32. Spatial planning will be focused on identifying sufficient future urban development areas, development areas that are being prioritised for public investment, and existing and planned infrastructure corridors and strategic sites. Spatial planning will be informed by constraints (such as natural hazards and significant natural areas) and environmental limits
33. The Government intends to introduce the new legislation to Parliament before the end of 2025.
34. **Figure 1** sets out key decision-making mechanisms under the proposed Planning Act and Natural Environment Act.

Figure 1: Key decision-making mechanisms under the proposed Planning Act and Natural Environment Act



35. Further information on [Phase Three is available on the Ministry for the Environment’s website](#).

Providing for urban development in the new resource management system

36. The new resource management system is still being designed. Several of the RM EAG’s recommendations, and the decisions taken by Cabinet to date in response, are expected to make it easier to provide for urban development in the new system. Examples of this are set out below.

- a. The new resource management system will be simpler and provide more certainty that development can go ahead, so long as that development occurs within environmental and human health limits.
 - b. There is an opportunity for the legislation to set out the importance of housing and urban development in the new system. For example, the RM EAG recommended that the Planning Act include goals around sufficient development capacity and creating well-functioning urban and rural areas.
 - c. A clearer legislative basis for setting environmental limits will provide more certainty around where development can and should be enabled.
 - d. Spatial planning will focus on enabling urban development and infrastructure within environmental constraints and can align infrastructure investment with land use change.
 - e. The new system will provide greater ability for landowners to use property as they see fit. The new legislation will do this by reducing the scope of effects being regulated. It will:
 - i. more clearly define the types of effects managed and only manage externalities
 - ii. raise the threshold for when adverse effects must be managed
 - iii. provide a clearer framework for managing effects on the natural environment and for managing effects on communities, property and neighbours.
37. The new approach to managing effects based on externalities will mean land use effects that are borne solely by the party undertaking the activity will generally not be controlled.
- a. The new system will set a higher bar for regulatory restrictions on property including requiring councils to complete regulatory justification reports to deviate from national standards.
 - b. National standards and nationally standardised zones could reduce the need for consents, be broadly enabling of development, and make plan making easier. More permissive zoning will improve economic efficiency and provide more choice for businesses and consumers. Standardised zones will also provide more consistency and cost savings for developers who have to modify otherwise identical proposals to match local plan requirements in different districts. Nationally standardised zones will be a key part of shifting the focus of policy setting to a national level, while maintaining local decision making over things that require consideration of local context.
 - c. Expanding the scope of permitted activities could reduce the need for consents, and standard conditions on activities could reduce complexity.
 - d. One set of National Policy Direction under each new act will simplify, streamline, and direct local government plans and decision-making, as well as providing guidance on how to resolve conflicts between competing

- priorities. The National Policy Direction will declutter the existing set of RMA national direction.
- e. Dispute resolution in the new system will be more efficient, including more limited availability of merits appeals (compared to the RMA) and the creation of a new Planning Tribunal. These initiatives will help resolve disputes more quickly meaning parties can be clear about what development can go ahead.
 - f. Use of a mechanism to allow for timely release of land for urban development could support the competitive operation of land markets.
38. We're seeking feedback on what else the new resource management system needs to do to provide for good housing and urban development outcomes, noting that there will be further opportunities to submit on the Planning Bill and Natural Environment Bill when these are considered by the relevant select committee, and the instruments made under them later.

1

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

Implementing Going for Housing Growth through the new resource management system

39. Pillar 1 of Going for Housing Growth was designed to address issues in the current resource management system. The Government intends for the policy intent behind the decisions made in relation to Pillar 1 of Going for Housing Growth to be reflected in the new resource management system. The shift to the new system also provides opportunities to think about how to give effect to the policy intent in the new system. While it's relatively clear how some aspects will be translated into the new system (for example, future development strategies in the NPS-UD will be replaced by a spatial planning regime in the Planning Act), in other cases with the architecture of the new system still being designed there are choices about how these decisions and instruments will be reflected in the new system.
40. In **Part C** of this document, we work through each of the key aspects of Pillar 1 of Going for Housing Growth, and in some cases provide an indication of where and how these aspects may be reflected in the new system. We're also seeking feedback on whether there are other options to address the issues that these proposals are targeted at through the design of the new system.

Part C: Design details of Going for Housing Growth

Introduction

41. While Cabinet has made high-level decisions on Pillar 1 of Going for Housing Growth, there are still a range of detailed design issues to work through, including how the policy intent of Going for Housing Growth fits into the new resource management system. This section focuses on some of the design questions on how Pillar 1 of Going for Housing Growth could be implemented in the new resource management system.

Future development strategies and spatial planning

Current status and case for change

42. Spatial planning is a core tool for aligning housing and infrastructure planning and investment. By making the big strategic decisions up front, spatial planning can identify and better integrate where and when future development capacity and infrastructure is expected to be provided, and support appropriate infrastructure project selection, which will provide confidence to the market about the future supply of developable land.
43. At present, the NPS-UD requires Tier 1 and 2 councils to prepare future development strategies (FDS) – which are a form of a spatial plan focusing on urban growth. Auckland Council was also required to prepare a spatial plan under the Local Government (Auckland Council) Act 2009. Outside of this, there is no legislative framework for spatial planning.
44. More than 80 spatial plans have been prepared in New Zealand over the last 20 years, many of which sit outside the FDS framework. The RM EAG has identified several limitations with spatial planning in New Zealand, including:
 - a. significant variation in approach and quality of spatial plans
 - b. a lack of consistent and robust data and other spatial inputs
 - c. a lack of legal weight on regulatory, transport and funding plans, which limits the ability to integrate and coordinate land-use planning, infrastructure planning and investment
 - d. variable involvement of central government in spatial planning
 - e. insufficient implementation programmes to coordinate multiple parties to deliver projects and other actions identified in spatial plans, including inconsistency in the level of detail and approach to prioritisation.

Summary of proposals

45. The Resource Management Expert Advisory Group identified a key role for spatial planning in the new resource management system. In line with its recommendations, Cabinet has agreed that:

- a. the new system will include long-term strategic spatial planning to simplify and streamline the system, enable development within environmental constraints, and have sufficient weight to better align land use and infrastructure planning and investment
 - b. spatial planning requirements will sit under the Planning Act, but be designed to help integrate decisions under the Planning Act and Natural Environment Act at a strategic level, resolving conflicts where possible
 - c. spatial planning will promote integration of regulatory planning under the Planning Act and Natural Environment Act with infrastructure planning and investment
 - d. spatial plans will have a strong focus on enabling urban development and infrastructure within environmental constraints.
46. One option is that each region be required to have a spatial plan but with flexibility for local authorities to focus on specific parts of the region and to plan across regional boundaries.
47. Spatial planning under the Planning Act is intended to replace the role of FDS in the current system.
48. FDS are currently prepared by local authorities, with requirements to engage with other groups, such as central government, infrastructure providers and iwi and hapū. Ministers will consider how different groups, including local and central government should be involved in the process of spatial planning.
49. Spatial planning requirements are intended to build on and learn from current practice relating to FDS. Compared to FDS, we envisage that spatial planning in the new system will involve:
- a. stronger weight on regulatory, transport and funding plans – spatial planning will have strong weight on land use plans so strategic decisions made through spatial planning flow through to regulatory decisions. Spatial planning will also inform funding plans to improve integration of land use planning with infrastructure planning and investment.
 - b. a longer time horizon – FDS are only required to have a time horizon of 30 years. Under a 30-year spatial planning horizon, with housing growth targets (discussed further below) requiring councils to enable 30 years of development capacity immediately, spatial plans would have little or no role to play in identifying where and when development capacity should be provided (because it would largely already be enabled). We're therefore considering whether the planning horizon should be *at least* 30 years, with matters such as the location of strategic infrastructure corridors and other sites should be considered over a time span of up to 50 years.
 - c. better use of information and evidence – compared to FDS requirements, we propose to expand the list of matters that must inform spatial planning to include information about demand, cost and supply of infrastructure,

opportunities to make better use of existing infrastructure, and an expectation that stakeholders who may be involved in implementing the spatial plan are able to provide information to inform its preparation (including infrastructure providers, developers and landowners).

- d. minimum infrastructure content requirements – this includes the type of infrastructure required to support a growth area and whether it's needed in the short, medium or long term. It also includes flexibility to set an infrastructure prerequisite that specifies the infrastructure projects or service level needed for a growth area to be 'development ready'.
- e. stronger and more consistent requirements for implementation plans – this may include requiring implementation plans to include a list of critical actions, the relative priority of each action, who is responsible for each action, any dependencies between actions, phasing or funding status, how they will be undertaken and who needs to be involved.
- f. requirements for councils to identify priority development areas in implementation plans - the focus would be on encouraging the identification of areas that offer the best opportunity to integrate land use and infrastructure to accelerate delivery of plan-enabled development capacity and coordinating across different decision-makers.

2

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

Housing growth targets

Current status and case for change

- 50. Policy 2 of the NPS-UD requires councils to provide sufficient development capacity to meet short, medium and long-term demand, with a competitiveness margin on top of this. This requirement combined with the intensification policies of the NPS-UD (Policy 3) and the MDRS, has resulted in significant increases in development capacity in our main urban areas, contributing to more competitive urban land markets.
- 51. Only capacity to meet short-term demand (0-3 years) currently needs to be enabled in an operative district plan. Capacity to meet medium-term demand (3-10 years) can be in an operative or proposed district plan, while long term (10-30+ years) development capacity only needs to be identified in an FDS. This means that plan changes may be required to bring forward, or live zone, development capacity identified to meet demand in the medium-to-long term, often only after infrastructure has been committed or put in place.
- 52. For the long term in particular, development capacity being identified in a FDS does not provide sufficient confidence that this capacity will be 'live' when a developer is ready to develop, and involves a plan change process which can involve significant cost and time.

53. The intent of housing growth targets is to better facilitate competitive urban land markets, given the limitations of the current system and that the MDRS will not form part of the new resource management system. Facilitating competitive land markets requires an abundance of development opportunities to shift market expectations of future supply and bring down the price of urban land.

Summary of proposals

54. Cabinet has previously agreed to set housing growth targets for Tier 1 and 2 councils. We propose that the targets are incorporated into the new resource management system. This would require councils to enable enough feasible and realistic development capacity to meet 30 years of demand based on high household projections, plus a 20 percent contingency margin, in their regulatory plan. This differs from the current staggered approach to providing capacity under Policy 2 of the NPS-UD, as set out above.
55. While councils will need to enable all the development capacity required to meet the housing growth target in their regulatory plan, it's not expected that all capacity will be immediately serviced by infrastructure. Infrastructure components of development capacity are proposed to still be staggered over time and based on councils' assessment of the most likely demand scenario. This recognises that it would generally be unviable for infrastructure to be provided at once to service plan-enabled capacity.
56. Cabinet has previously agreed that the requirements for infrastructure-ready capacity in the new system are generally based on the NPS-UD requirements,³ but with more scope for infrastructure solutions that are privately funded or delivered or both to be counted towards medium and long-term capacity. We also plan to ensure the requirements are aligned with changes enacted by the Local Government (Water Services) Bill.
57. Housing growth targets would be supplemented by a requirement for councils to be responsive to unanticipated or out-of-sequence development, as discussed in the responsive planning section.

3

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

58. Below, we set out specific matters relating to housing growth targets on which we're seeking feedback.

³ Under the NPS-UD, development capacity is infrastructure-ready if:

- a) in relation to the short term, there is adequate existing development infrastructure to support the development of the land
 - b) in relation to the medium term, either paragraph (a) applies, or funding for adequate development infrastructure to support development of the land is identified in a long-term plan
- in relation to the long term, either paragraph (b) applies, or the development infrastructure to support the development capacity is identified in the local authority's infrastructure strategy

Providing an agile land release mechanism

59. While councils will need to include sufficient development capacity to meet housing growth targets in their regulatory plans, it's unlikely that councils could immediately service that level of growth with adequate transport and three waters infrastructure. This may mean that councils identify residential development capacity in their plans that is not ready to be developed.
60. The RM EAG recommended developing an agile land release mechanism to enable development areas to be brought online through a streamlined process. It also recommended that where growth areas are identified in a spatial plan and then zoned as an indicative urban zone in the regulatory plan, that land can be released for development without a formal plan change. To achieve this, the regulatory plan could be required to specify triggers for release such as infrastructure availability, developing and agreeing a detailed structure plan, or land price indicators.
61. We're exploring how this system could work in practice, such as:
 - a. what should be enabled on the land prior to comprehensive development
 - b. what criteria could be used to determine when land can be released
 - c. what process could be used for the release of land
 - d. when decisions on appropriate zoning patterns (and other factors currently commonly undertaken in structure planning) would take place
 - e. the status of land-use that would be necessary for capacity to count towards a council's housing growth target
 - f. how the infrastructure constraint (and the impact on the ability to develop land) is communicated to plan users
 - g. whether the same mechanism should be used for both brownfield and greenfield areas.

4

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

62. The current NPS-UD provides councils with discretion about how they estimate future demand for housing. This approach can result in inconsistencies between councils in terms of the amount of capacity they need to provide for and risks an undersupply of development capacity depending on the scenarios used. To address this, we propose additional standardisation in the way that housing growth targets are calculated.
63. We propose that each relevant council would have its own target, which would apply to the urban environment only (they would not apply to rural or semi-rural areas within a council's boundary, consistent with the current NPS-UD).

Councils within an urban environment could transfer a portion of the Target between themselves by mutual agreement.

- 64. Councils would determine their target by using 30-year household projections provided on Te Tūāpapa Kura Kāinga website. These would be based on Statistics NZ Statistical Area 2 (SA2) high growth scenario projections. Councils could choose to use a higher projection, but not lower. Councils would aggregate the relevant urban SA2 areas to give a total household projection for their urban environment and then convert this to demand for dwellings.
- 65. Councils would need to include a 20 percent contingency margin in their housing growth target (in place of the current competitiveness margin) on top of growth projections. This recognises that the risks of undersupply are much higher than oversupply.

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

Calculating development capacity

- 66. Cabinet has previously agreed that to count towards housing growth targets, capacity will need to be live zoned (enabled in an operative district or unitary plan) and feasible. We propose that councils would also need to provide sufficient infrastructure-ready capacity to meet the level of growth anticipated by the council. Existing requirements to provide sufficient capacity for particular locations and types of housing would likely be retained but sit outside of the housing growth targets system.
- 67. While councils will be making use of standardised zones in the new system, it's proposed they will still have options in relation to where different zones are placed, the overlays applied, and the ability to depart from standardised zones where justified. As a result, feasibility modelling will still be important for ensuring that councils are enabling development capacity in the right places in the new system.
- 68. There are choices about whether feasibility modelling should be entirely based on current costs and revenues, or if councils can make reasonable adjustments to some or all of these inputs for a proportion of the capacity to be provided, recognising that not all housing will be delivered in the short- or medium-term. Whether councils can make adjustments can affect whether capacity is counted in areas where development capacity is likely to become more feasible over time (and therefore reflect market dynamics). It can also rely on increasing house prices, which runs contrary to the policy intent.
- 69. We seek feedback on what (if any) adjustments should be allowed when councils calculate feasibility as part of demonstrating compliance with housing growth targets.

7	How should feasibility be defined in the new system?
8	If the design of feasibility is based on profitability, should feasibility modelling be able to allow for changing costs or prices or both?

70. The current NPS-UD requires capacity to be ‘reasonably expected to be realised’. We propose that this is not carried over into the new system, as it has been difficult to interpret and apply. We propose to instead include a higher-level requirement for capacity to be ‘realistic’, with guidance provided on what factors may be appropriate to consider. This would include aspects such as the existing use of sites, covenants, and site-specific factors (such as slope).

9	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’?
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71. Cabinet has agreed to set prescriptive rules and guidance for how councils calculate matters such as demand and development capacity. We propose that this includes reporting requirements. These changes would increase consistency, ensure a minimum level of quality, and make capacity assessments more transparent. Changes may include specifying which standards must be considered in calculations of plan-enabled capacity, setting a specific method for calculating feasibility, and requiring inputs, assumptions, and sample outputs to be included in a mandatory methodology section for capacity assessments reports.

10	What aspects of capacity assessments would benefit from greater prescription and consistency?
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Infrastructure requirements

72. Requiring councils to use high growth projections for determining how much infrastructure is needed to support development capacity could require councils and water services providers to invest in more infrastructure than is ultimately taken up. This could have funding and financing implications for councils and water services providers. We therefore propose that councils can use the most likely growth scenario for infrastructure planning and meeting the infrastructure component of development capacity.
73. Councils currently use a range of approaches to assessing the amount of capacity that’s infrastructure-ready, some of which are more robust than others. To address this, we propose to set new minimum requirements for infrastructure capacity assessments to ensure that capacity assessments are informed by robust information. However, the differing levels of data and modelling capabilities between councils is likely to make it difficult for requirements to be too prescriptive. One approach could be to include a high-level requirement for assessments to be based on modelling if possible, or to otherwise use a robust, transparent evidence-based approach.

- 74. In housing capacity assessments undertaken under the NPS-UD, there is wide variation in the scope of infrastructure assessments. Some consider the whole networks (including local pipes and roads), whereas others only look at trunk mains, plant equipment or both. Some councils also consider serviceability of individual developments but without considering the cumulative ability to service growth.
- 75. We're planning to make infrastructure assessment requirements clearer, including setting the level of detail that should be required for infrastructure assessments and requiring assessments to account for cumulative growth.

11	Should councils be able to use the growth projection they consider to be most likely for assessing whether there is sufficient infrastructure-ready capacity?
12	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?
13	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

- 76. While housing growth targets are intended to provide an abundance of opportunities for development, it's important that the capacity requirements are also informed by indicators of how land markets are functioning in practice.
- 77. Cabinet has previously agreed to set new requirements that price indicators (such as urban fringe land price differentials) do not deteriorate (and ideally improve) over time.
- 78. One way to do this could be to build in requirements that council planning decisions are responsive to a suite of price efficiency indicators, which would be measured and published by the Te Tūāpapa Kura Kāinga. This suite could include measures of urban fringe land price differentials, price-cost ratios and land ownership concentration.
- 79. These indicators would inform whether council plans are enabling enough development capacity to support competitive urban land markets and, if not, trigger a requirement for councils to enable more capacity in their plans.

14	Do you agree with the proposed requirement for council planning decisions to be responsive to price efficiency indicators?
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Business land requirements

- 80. The NPS-UD 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, we propose that councils should also need to enable enough business capacity in their regulatory plans to meet long term (30 years) demand. Because there are no centrally provided demand projections for business land, we propose that, unlike housing growth targets, councils would have discretion over the projections they use.

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

Responsive planning

Current status and case for change

81. Policy 8 of the NPS-UD requires local authorities to be responsive to plan change requests that would add significantly to development capacity and contribute to well-functioning urban environments, even if the development capacity is unanticipated or out of sequence. To do this councils must have 'particular regard' to the development capacity provided by private plan change requests that:
- would contribute to a well-functioning urban environment
 - are well-connected along transport corridors
 - would add significantly to development capacity according to criteria set by regional councils.
82. There has been variable implementation of the responsiveness policy in the NPS-UD and, overall, it's unclear how effective the policy has been in encouraging councils to give particular regard to private plan change requests. This is likely to be at least in part due to the significant discretion currently afforded to councils to determine what constitutes 'significant' development capacity and what constitutes a well-functioning urban environment.

Summary of proposals

83. The Going for Housing Growth programme is designed so that more responsive land supply leads to more opportunities for development and brings down the price of land. Much of this can be achieved through councils planning well for growth, informed by spatial planning requirements and housing growth targets as discussed above. However, there could still be a role for private plan changes as a 'release valve' or check on the capacity that councils are planning for and enabling.
84. We're considering whether we might need to provide strengthened requirements for councils to be responsive to unanticipated or out-of-sequence development proposals, with less discretion for councils about what constitutes 'significant' development capacity and greater clarity. For example, one option might be to define 'significant' as proposals of a particular scale; either capacity for 50 dwellings or buildings or 0.1 percent of the district's existing housing stock or business land – whichever is higher. The responsiveness requirements would be subject to any provisions in legislation about when such proposals

could and could not be considered, as well as subject to other constraints on where development can occur.

85. We're also considering how the responsiveness policy should interact with the principle that 'growth pays for growth'. This might include, for example, a need for any private plan change to include infrastructure triggers that prevent development from occurring until necessary infrastructure is in place in order to warrant particular regard under the responsiveness policy. Alternatively, there may be other ways for a developer to demonstrate they will pay for the necessary infrastructure in line with Pillar 2 of Going for Housing Growth.

16	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?
17	How should any responsiveness requirements in the new system incorporate the direction for 'growth to pay for growth'?

Rural-urban boundaries

Current status and case for change

86. Generally, at the edge of a city or town there will be a point at which land that is zoned for urban use is adjacent to rural use. In the absence of other policies, rural land can be rezoned to urban uses through either council-led or privately initiated plan change processes.
87. In some cases councils have imposed more formal urban limits and 'hard boundaries' through the policies and objectives in plans or regional policy statements or have other 'soft boundaries' via provisions designed to limit urban expansion.
88. Such policies and objectives restrict the competitive operation of land markets. Regional policy statements (RPS) cannot be altered through private plan changes. Even where boundaries or limits can be altered through private plan changes, they still present a possible legal hurdle for private plan changes and can be given weight in decision making, even if the weight is low.
89. The guidance on the responsiveness policy makes it clear that when a council identifies areas for growth, they are still expected to give effect to the responsive planning policies in the NPS-UD and ensure any boundaries in plans need are responsive and flexible. This would exclude a 'hard' boundary, but not necessarily a 'soft' boundary, and there is a lack of clarity because this is not explicitly stated in the policy.

Summary of proposal

90. Cabinet has agreed to remove councils' ability to impose rural-urban boundary lines in their planning documents. We're proposing 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.

91. We've also identified some existing RPS with provisions that new urban development should be adjacent to existing urban development. This prevents 'leapfrogging' (when development occurs on land that is not directly adjacent to an urban area) and can act as a barrier to greenfield development, in a similar way to rural urban boundaries. There may be other policies in RPS or plans that are set for the purposes of urban containment and in doing so, limit urban growth. While RPS won't exist in the future system, we're seeking feedback as to whether the future resource management system should exclude any rules that can be used in regulatory plans relating to leapfrogging or any other provisions designed to achieve urban containment.
92. There is also a risk that spatial plans are used to restrict leapfrogging in the new system. We're seeking feedback on how the new system can be set up to prevent this from occurring while allowing for spatial planning to better enable urban expansion.

18	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?
19	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?
20	What role could spatial planning play in better enabling urban expansion?

Intensification

Current status and case for change

93. Policy 3 of the NPS-UD directs Tier 1 councils to enable more density in central and easily accessible areas and in places of high demand. It requires councils to enable:
- in city centre zones: building heights and density to realise as much development capacity as possible (Policy 3(a))
 - in metropolitan centre zones (Policy 3(b)), and within a walkable catchment of city and metropolitan centre zones, and existing and planned rapid transit stops (Policy 3(c)): building heights of at least 6 storeys
 - within and adjacent to neighbourhood, local and town centre zones: building heights and density commensurate with the level of commercial activity and community services (Policy 3(d)).
94. The NPS-UD enables councils to use 'qualifying matters' to avoid or limit intensification in areas where it would be inappropriate. Some qualifying

matters are specifically listed or referenced in the NPS-UD (such as management of natural hazards and the provision of open space for public use). There is also provision for councils to avoid intensification due to other 'unlisted' qualifying matters.

95. Several issues have arisen with the implementation of the NPS-UD intensification provisions. These include:
- a. discretion provided to councils over matters such as what constitutes a rapid transit service or a 'walkable' catchment has added time, cost and uncertainty to the plan change process. Discretion can also undermine the intent behind the intensification policies by reducing the areas the policies apply to.
 - b. 'unlisted' qualifying matters being applied more extensively than anticipated (such as in relation to 'special character') and limiting development capacity in areas where high density developments are most likely to be viable. In some cases, we do not consider that councils have met the requirements to justify the use of these unlisted qualifying matters.
96. In addition, with the MDRS not forming part of the future system, there are opportunities to provide for intensification in areas of high demand, with good accessibility or both, while still providing councils with more discretion about how intensification is enabled than under the MDRS.

Summary of proposals

97. In July 2024, Cabinet agreed to progress the following changes to the NPS-UD:
- a. Apply the original scope of Policy 3(d) of the NPS-UD, which requires enabling building heights and densities commensurate with the greater of accessibility and demand, across the entirety of urban environments.
 - b. Amend the definition of rapid transit service by specifically listing existing rapid transit services.
 - c. Add new direction to require councils to intensify around two new categories of key transit corridors, in addition to rapid transit.
 - d. Set minimum walking catchment sizes around city centre zones, metropolitan centre zones, rapid transit stops and key transit corridors.
 - e. Clarify that decision-makers, independent hearings panels and any other people making recommendations on plans must explicitly consider the requirements related to qualifying matters and reflect this in analysis documents that support recommendations or decisions.
 - f. Require that the loss of development capacity through the use of an unlisted qualifying matter be offset in an equivalent area.
98. As with other decisions in relation to Pillar 1, these decisions were made in the context of the current system and will need to be adapted to the future system.

99. Below, we set out specific matters relating to intensification on which we're seeking feedback.

Key public transport corridors

- 100. The NPS-UD requires Tier 1 councils to enable building heights of at least six storeys within at least a walkable catchment of existing and planned rapid transit stops.
- 101. Under the NPS-UD, a rapid transit stop means a place where people can enter or exit a rapid transit service, whether existing or planned. A 'rapid transit service' means any existing or planned frequent, quick, reliable and high-capacity public transport service that operates on a permanent route (road or rail) that is largely separated from other traffic. In practice, this definition only captures the Wellington and Auckland metropolitan rail network and Auckland's Northern and Eastern busways.
- 102. There are several areas that are well-serviced by public transit and suitable for intensification that do not meet the current or proposed definition of rapid transit service. To address this, we propose to require major urban centres to also enable intensification across two new categories of current or planned 'key public transport corridors'.
 - a. Category 1 – Councils would need to apply a standardised zone that enables at least six storeys within a walking catchment of 'category 1 key public transport corridors', which we propose would be defined broadly in line with the New Zealand Transport Agency's One Network Framework classification of 'spine' corridors. Spine corridors would be strategically significant corridors where many frequent services operate and many public transport services merge together to create very high frequencies and overall passenger movement.
 - b. Category 2 – Councils would need to apply a standardised zone that enables at least three storeys within a walking catchment of 'category 2 key public transport corridors', which we propose would be defined broadly in line with the One Network Framework classification of 'primary' corridors. Primary corridors are strategic corridors where frequent public transport services operate, providing regular services across most of the day, seven days a week.
- 103. Councils would be responsible for determining which corridors meet the definition of each of these categories.

21	Do you agree with the proposed definitions for the two categories of 'key public transport corridors'? If not, why not?
22	Do you agree with the intensification provisions applying to each category? If not, what should the requirements be?
23	Do you agree with councils being responsible for determining which corridors meet the definition of each of these categories?

Intensification catchments sizes

104. To avoid unnecessary future debate about what constitutes a walkable catchment (and therefore where intensification is required), we're proposing minimum intensification catchment sizes around city and metropolitan centre zones (or equivalent zones in the new resource management system), rapid transit stops and key transit corridors. These distances would be 'as walked.'

105. We're considering two options for minimum catchment sizes.

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

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

Minimum building heights to be enabled

106. The NPS-UD specifies that Tier 1 councils must enable building heights of at least six storeys in certain areas.⁴ While the requirement is to enable 'at least' six storeys, in many cases councils have chosen to enable only up to six storeys. Regardless of the heights enabled in the plan, people can still usually choose to build to a lower height.⁵ We propose that the new system similarly requires councils to apply a standardised zone that enables at least a specified height in certain areas.

107. We've heard anecdotal feedback that four-to-six storey developments are often not profitable to develop in many areas due to factors such as more expensive construction methods for taller buildings and the need to meet market demand for features such as elevators that add cost.

108. We're seeking feedback on whether the requirement to enable at least six storeys in specific areas should be increased (for example, to eight or ten storeys) to make more medium-to-high density developments feasible in intensification areas.

⁴ In metropolitan centre zones (Policy 3(b)), and within a walkable catchment of city and metropolitan centre zones, and existing and planned rapid transit stops (Policy 3(c)).

⁵ Some plans currently have minimum height rules that trigger resource consents for construction under a certain height.

25	What are the key barriers to the delivery of four-to-six storey developments at present?
26	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?
27	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

109. In the new resource management system, councils will be required to apply nationally standardised zones. Councils may be able to modify nationally standardised zones where they consider that intensification is not appropriate by applying overlays and completing a justification report.
110. This approach is similar to the use of qualifying matters in the current system. As noted above, some councils have made relatively broad use of unlisted qualifying matters to date (such as to protect special character). Cabinet has agreed to require councils to offset the loss of development capacity through use of an unlisted qualifying matter by a corresponding increase in development capacity elsewhere.
111. We're considering whether how this approach could translate to the new resource management system. Our initial view is that there is still a case for disincentivising councils from departing from specified standardised zones or specified minimum heights, more than is necessary to accommodate particular resource management issues (such as the management of natural hazards) and we're seeking views on whether offsetting any lost capacity into an equivalent area is an appropriate way to achieve this.
112. Assuming that offsetting of development capacity is provided for in the new system, one option would be to require capacity lost as a result of departure from standardised zones and overlays to be redistributed within a different part of the same intensification area or catchment. This could be done by requiring a more intensive standardised zone to be used. Alternatively, councils could be required to redistribute capacity to an area with an equivalent land value per m² (plus or minus 10 percent). This is on the basis that land value is a proxy for areas with similar demand and development feasibility, and therefore likely to support similar types of development outcomes

28	Is offsetting for the loss of capacity in directed intensification areas required in the new resource management system?
29	If offsetting is required, how should an equivalent area be determined?

Intensification in other areas

113. While city centres, metropolitan centres and areas close to public transport are some of the best areas for intensification due to their accessibility, there can be other areas where demand for housing is high where we consider intensification should also be enabled. In line with this, prior to the introduction of the MDRS, policy 3(d) of the NPS-UD 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.
114. Policy 3(d) was narrowed when the MDRS were introduced to only apply to areas within and adjacent to neighbourhood, local and town centre zones. This was because the MDRS arguably made the policy redundant outside of these centre zones.
115. We're considering whether an equivalent to Policy 3(d) (as per its original scope) is needed in the new resource management system. A requirement for councils to ensure that heights and densities are enabled in line with demand, accessibility or both could help to ensure that councils are applying the right standardised zones in the right places. However, there may be less need for such a policy if standardised zones are in themselves sufficiently enabling.

30

Is an equivalent to the NPS-UD'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

Current status and case for change

116. There are many benefits from having a mix of land uses or activities located close to each other, such as:
- a. promoting competition, productivity and innovation
 - b. more dynamic, liveable and attractive neighbourhoods
 - c. making it easier for people to access amenities and opportunities nearby, including by walking and other forms of active travel.
117. Council plans generally enable residential, commercial and community activities in commercial zones (albeit often subject to resource consent and a range of rules set out in district plans). Most residential zones are highly restrictive of what commercial and community activities can take place. Sometimes, mixed-use is addressed through 'spot zoning' – small patches of commercial zones in otherwise residential areas. However, zoning in and around the areas in which people live typically remains very restrictive of other activities.

118. There is a key role for zoning and consenting to play in managing the interactions between different uses that could create nuisance factors for others, such as from housing being located next to activities that generate noise or emissions such as hospitality and factories. This means that councils play an important role in managing the impact that activities have on residential areas. Councils also impose restrictive zoning for other reasons, such as to maintain ‘centres hierarchies’, in which many certain types and scales of activities are only allowed to take place in certain commercial areas. For example, plans may allow only small shops and cafes in local suburban centres, with larger commercial activities required to locate in metropolitan or city centre zones. This can restrict areas from evolving naturally and responding to the needs of communities.
119. We consider that there is scope for councils to enable a wider mix of activities in more places to achieve the benefits set out above.

Summary of proposals

120. The use of standardised zones in the new resource management system provides an opportunity to ensure zones provide for an appropriate breadth of activities to take place in proximity to each other.
121. While the exact mix of standardised zones in the new system is still to be determined, overall we envisage enabling a greater mix of uses between residential, commercial and community activities in standardised zones than is typical at present. In line with the focus of the new system on managing externalities, we expect that where a zone does not provide for specific types of uses, or includes specific controls on activities, this will be based on avoiding or managing the externalities associated with that use.

31

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?

122. Some locations, such as near train stations or city and metro centres, may be particularly suited to providing for a wide range of uses. We’re considering whether councils should be directed to apply a zone that enables a wide range of uses in those areas.

32

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

Minimum floor area and balcony requirements

Current status and case for change

123. Cabinet has agreed that the approach to effects management in the new system will be narrowed compared to the status quo and be based on the economic concept of externalities. This means effects (relating to land use) borne solely by the party undertaking the activity would not be controlled. An

externality is a cost or benefit resulting from one party's activities that falls on an uninvolved third party.

124. Many district plans currently have rules such as balcony and minimum floor areas requirements. While such requirements can have benefits for users, these features can be provided by developers based on demand from prospective residents without being subject to regulatory requirements. Where district plans impose requirements such as these over and above what is demanded by residents, they can raise the cost of housing and in some cases make development infeasible. We consider that these sorts of requirements are unlikely to fit into the new system as they are not managing what would typically be regarded as an externality.

Summary of proposal

125. The definition of 'effects' that can be considered in the new system and the development of standardised zones provide opportunities to set the matters that can or cannot be considered in consenting. We propose that standardised zones do not include standards or matters of discretion for minimum floor areas or balconies. We propose that the NPS-UD requirement for councils to not set minimum car park requirements is also carried over into the standardised zones.
126. Beyond this, we plan to consider which other requirements have a disproportionate impact on development feasibility, particularly those that would not be considered an externality, to inform the development of standardised zones. For example, rules that require minimum bicycle parking (or set detailed design requirements for them) has been raised as is a matter that might fall into this category.

33

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

Current status and case for change

127. While existing NPS-UD requirements and proposed Going for Housing Growth policies are intended to have significant benefits for housing and urban outcomes, they also impose costs, particularly for councils. To reflect this, there are three tiers of urban environments identified in the NPS-UD to tailor requirements to places that will get sufficient benefits to justify the costs. Key requirements that apply to each tier are listed below.
- a. Tier 1 – Intensification requirements in certain zones (city centre zones, metro centre zones) and walkable catchments (for example, within a certain distance to city centre zones, metropolitan zones and rapid transit stops)

- b. Tier 1 and 2 – Preparation of housing and business development capacity assessments (HBA) and Future Development Strategies (FDS), and
 - c. Tier 1, 2 and 3 – General NPS-UD provisions (for example, requirements to provide sufficient capacity and have no carparking minimums).
128. In the new system, there is still likely to be a need to target some requirements to different areas. For example, it's unlikely to be proportionate to require low-growth provincial centres to produce HBA.

Summary of proposal

129. We're exploring whether to largely retain the existing approach in the NPS-UD or whether changes should be made. We're seeking feedback on whether the existing principle of setting the same requirements for all councils within the same urban environment (for example, treating Waipā and Waikato the same as Hamilton) is considered fit for purpose.
130. We're also exploring which councils should be subject to existing and new requirements, such as specific requirements relating to the location of intensification and mixed-used zones or to meet housing growth targets and undertake development capacity assessments.

34

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

131. Officials have engaged with Treaty partners (for example, post-settlement governance entities (PSGEs)) on changes proposed as part of the broader national direction package, when these proposals were intended to be implemented through changes to the NPS-UD, but this engagement has been at a relatively high-level. We are seeking feedback on further impacts on Māori from those identified at a high level below through this consultation process.
132. As the specific proposals in this discussion document will feed into the broader reform programme, further engagement with Treaty partners will occur as part of that.
133. Existing barriers and the nature of whenua Māori may reduce the impact these proposals can have on unlocking whenua Māori, requiring other tailored interventions.
134. There are likely a number of general positive impacts for Māori from the proposals. Housing growth targets and intensification provisions seek to increase the supply of land available for housing and businesses, making development easier and housing more affordable for all groups, including Māori.
135. Enabling mixed-use could better provide for the cultural and other needs of Māori in urban environments, including through encouraging a mix of uses that

can support community aspirations, such as providing for the establishment of marae and associated activities.

- 136. Responsiveness to private plan changes could make it easier for Māori to rezone or develop land (including whenua Māori), while excessive responsiveness could dilute the strategic direction in strategic documents such as spatial plans, which to date have usually been developed in conjunction with hapū and iwi.
- 137. However, a shift towards more rigid, centrally determined policy, which provides for less local government discretion at the implementation stage, could function to narrow the scope for Māori engagement in the policy process.

35	Do you have any feedback on how the Going for Housing Growth proposals could impact on Māori?
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Other matters

36	Do you have any other feedback on Going for Housing Growth proposals and how they should be reflected in the new resource management system?
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Transitioning to Phase Three

- 138. We expect councils will begin implementing the new resource management system in 2027 and that it will take several years to fully transition towards the new system.
- 139. The NPS-UD contains requirements for Tier 1 and 2 councils to prepare or review their HBA and FDS every three years, in time to inform their long-term plans. This means that Tier 1 and 2 councils are currently required to prepare or review their HBA and FDS in time to inform 2027 long-term plans.
- 140. The process of transitioning to the new system will need to consider the current requirements on councils under the NPS-UD as well as other national direction. It will also need to consider the legislative and regulatory mechanisms for enabling councils to refocus on moving to the new system. Given these considerations, we're seeking feedback as to whether the requirements to prepare or review HBA and FDS ahead of 2027 should be retained or whether they should be suspended to allow a focus on implementation of Phase Three.

37	Should Tier 1 and 2 councils be required to prepare or review their HBA and FDS in accordance with current NPS-UD requirements ahead of 2027 long-term plans? Why or why not?
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