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## **Timaru District Council Submission on Package 4 – Going for Housing Growth**

### **Introduction**

Timaru District Council welcomes the opportunity to submit on the governments National Direction proposals. Council is supportive of the intent of many of the changes and recognise the necessity of a better developed and more comprehensive national direction package.

We address the key issues for Timaru District Council below, which focuses on the general policy intent of the instruments as proposed. Additionally, the attached Appendix 1 respond to the key questions contained within Package 4 discussion document.

### **Key Issues**

Timaru District Council has a strong interest in matters relating to both urban development and rural land uses. Council has been consistent in making submissions to both national and regional processes, around the importance of enabling mid-sized Council's such as Timaru, the ability to be proactive and responsive to change and economic opportunities that enable us to be a district of choice and opportunity.

Clear direction that relates to Council's role in enabling housing growth for the betterment of the district is of high importance. We address our key issues in relation to this matter below with a focus on the general policy intent of the instruments proposed for change.

We ask that the Government be cognisant of these issues when making decisions on all national direction instruments. A key failure of previous instruments has been their inability to work together in an effective manner to achieve better outcomes for communities.

***Key Issue 1: Scale and pace of change creates risk of unintended outcomes or significant implementation challenges.***

We support the approach that as far as possible, requirement to consider or have regard to additional policy direction is clearly outlined, and that the national direction

has clear implementation and timelines, with any 'plan making processes' deferred until the new system is in place or occurs concurrently with the transition.

Council supports clear direction around the implementation of this direction in consenting processes until such time as the new system is fully implemented.

***Key Issue 2: Ensuring unresolved policy gaps and interactions across the package are resolved. If the instruments only 'talk to each other' and do not provide a hierarchy, there is an assumption that all objectives can be balanced.***

The proposal responds to specific government priorities. While we recognise the need for, and indeed support, greater government direction on a range of issues, we are concerned that there will still be challenges associated with balancing and prioritising issues.

Planning as a profession, and in regulatory practice tends to fall into the trap of being 'everything to everyone'. The current national direction system has examples that cuts through this tendency, by giving decision makers clear things that they must achieve, for example, the NPS-UD.

The instruments (current and proposed) need to do more than simply 'talk to each other'. There needs to be a clear hierarchy of what objectives are more important than others and in what situations. Ideally, this results in clear prioritisation as to when one objective falls away and is not considered, and what costs are acceptable to impose through planning provisions.

If the instruments only 'talk to each other' and do not provide a hierarchy, there is an assumption that all objectives can be balanced. In a situation where relevant instruments are not balanced, Council as a regulator, will be in the position of introducing more and more provisions to attempt to satisfy the requirement of each individual piece of national direction.

This is of particular relevance to the growth topic, where our Council has been constrained by low growth projections, in-turn meaning there has been an inability to get through some hurdles associated with other direction instrument such as the NPS-HPL.

***Key Issue 3: National Direction Instruments can have unintended consequences for smaller Council's impacting on their ability to compete with bigger centres.***

A 'one size fits all' approach inevitably does not work for all local authorities. Timaru's experience is that this type of approach will result in unintended consequences, which often disproportionately effect councils outside of larger urban centres. This creates a greater divide between rural/ provincial centres versus large urban areas.

Timaru District Council has concerns that the proposals will continue to result in an inability for smaller Council's to be responsive to growth demand, resulting in lost

opportunities to attract new people and businesses to the district. 'Going for Housing Growth' intends to enable further greenfield development which is welcomed. However, if growth is allowed to occur without linking to other long-term planning and funding tools any gains may be lost by the increased burden attached to Council through infrastructure provision.

***Key Issue 4:*** *There needs to be tools available to encourage business growth alongside housing growth, especially within centres the size of Timaru.*

There needs to be additional support provided to business growth alongside housing. For areas like Timaru to be competitive with larger urban centres, we need to be able to adapt and meet market demand for business and housing land. The focus on housing will not result in the outcomes being sought if Council are limited in their ability to attract new business and industry.

This is of relevance to mid-sized Council's like Timaru which are strategically located and have key infrastructure connections (port and rail). Housing and business growth need to go hand in hand and be supported by appropriate funding mechanisms to ensure Councils can deliver an environment that is market driven and shovel ready.

#### Conclusion

Timaru District Council is grateful for the opportunity to provide feedback and welcome the opportunity to be further involved in discussing any matters raised in our submission.

If you have any questions regarding the content of this submission, please contact Paul Cooper by email at [paul.cooper@timdc.govt.nz](mailto:paul.cooper@timdc.govt.nz).

Yours sincerely



**Paul Cooper**  
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## **Appendix 1 –Going for Housing Growth Questions and Responses**

<b>National Policy Statement for Infrastructure</b>	
<b>Question</b>	<b>Response</b>
What does the new resource management system need to do to enable good housing and urban development outcomes?	Ensure that the system allows for mid-sized centres to be competitive and open land for development. The focus should not be solely on housing as jobs are needed to support growth in mid-sized areas such as Timaru.
How should spatial planning requirements be designed to promote good housing and urban outcomes in the new resource management system?	Ensuring growth occurs in a controlled manner is important to prevent disjointed communities. Including key community infrastructure such as green spaces at the earliest opportunity will be important.
Do you support the proposed high-level design of the housing growth targets? Why or why not?	At a high level yes. Council awaits further information on the mechanisms that will control the release of infrastructure to ensure this occurs in a structured manner that does not result in unintended consequences i.e. land banking that limits the development of serviced sites.
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?	Council supports the release of identified land without formal planning processes. Council suggests that strong consideration should be given to appropriate triggers for such releases i.e. what level of development needs to occur in existing land before, identified land is released.
Do you agree with the proposed methodology for how housing growth targets are calculated and applied across councils?	Ensuring consistency across Council's is important. However, there needs to be consideration given to how mid-sized and smaller Council's remain competitive with larger Councils/ urban centres.
Are there other methods that might be more appropriate for determining housing growth targets?	Growth within rural areas should be factored in when considering territorial authorities with smaller population sizes.

How should feasibility be defined in the new system?	The ability to make changes in modelling to reflect market dynamics at a local level is supported.
If the design of feasibility is based on profitability, should feasibility modelling be able to allow for changing costs or prices or both?	Yes, however, a challenge arises when land banking occurs to drive higher profitability.
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'?	Yes, this will provide for greater consideration of each local context.
What aspects of capacity assessments would benefit from greater prescription and consistency?	Council supports mandatory reporting that is nationally consistent. Council requests that any such reporting is designed in a manner that does not require expensive technical reports and on-going costs associated beyond obtaining data that is readily available to every Council irrelevant of size.
Should councils be able to use the growth projection they consider to be most likely for assessing whether there is sufficient infrastructure-ready capacity?	Yes, but in a transparent way.
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?	Ensure baseline data is easily accessible by all.
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?	It should include local pipes and roads as well i.e. is the infrastructure available at the subject site and does it have the capacity to serve the expected development.
Do you agree with the proposed requirement for council planning decisions to be responsive to price efficiency indicators?	Yes.

Do you agree that councils should be required to provide enough development capacity for business land to meet 30 years of demand?	Yes, without new jobs growth will not occur. In some areas the provision of land for business development is of more importance than providing for housing.
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?	Yes, they should be designed to ensure that the proposals do not compromise already planned for growth.
How should any responsiveness requirements in the new system incorporate the direction for 'growth to pay for growth'?	It needs to link with infrastructure and long-term planning, to not compromise existing work programs and plans.
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?	At a high level yes.
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?	Leapfrogging is an important consideration when it comes to the management of growth and associated costs. If Council's are not able to manage this to some extent there is the potential for fragmented growth which will result in perverse outcomes if the 'leapfrogged' space is never developed i.e. infrastructure is never fully utilised or becomes insufficient despite not servicing, all adjoining land.
What role could spatial planning play in better enabling urban expansion?	It should identify important areas within the rural environment and protect these from urban expansion rather than seeking to contain urban expansion.
Do you agree with the proposed definitions for the two categories of 'key public transport corridors'? If not, why not?	Should be flexible to allow for Councils without formal public transport to adapt.

Do you agree with the intensification provisions applying to each category? If not, what should the requirements be?	As above.
Do you agree with councils being responsible for determining which corridors meet the definition of each of these categories?	Yes.
Do you support Option 1, Option 2 or something else? Why?	Limits could be linked to the size of the city centre zones this would provide additional flexibility for small urban environments.
What are the key barriers to the delivery of four-to-six storey developments at present?	No comment.
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?	No comment.
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?	No comment.
Is offsetting for the loss of capacity in directed intensification areas required in the new resource management system	In some situations, it may be beneficial.
If offsetting is required, how should an equivalent area be determined?	Locational matters should be considered.
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?	No comment.
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?	Within smaller centres such as Timaru there is the risk that such flexibility is at the detriment of existing areas such as the CBD, which then are unable to easily transition to new uses.

What areas should be required to use zones that enable a wide mix of uses?	Support for mixed uses within existing commercial areas to allow transition.
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?	No comment.
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?	Tier 3 Council's should be able to utilise the same tools as Tier 1 and 2 Councils to remain competitive. Changes should not be detrimental to other urban centres being able to compete and grow alongside other large centres.
Do you have any feedback on how the Going for Housing Growth proposals could impact on Māori?	There is potentially a loss of engagement and collaboration.
Do you have any other feedback on going for Housing Growth proposals and how they should be reflected in the new resource management system?	They should be designed to allow for all Council's to thrive and be competitive.
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?	No – this would be a waste of resources if the framework in which they are to be applied is changed.