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## Christchurch City Council submission on *Going for Housing Growth*

### Introduction

1. Christchurch City Council (the Council) thanks the Ministry of Housing and Urban Development and the Ministry for the Environment for the opportunity to make a submission on the proposals in the Going for Housing Growth Package.
2. The Council acknowledges the Government's objective for the *Going for Housing Growth* programme to improve housing affordability by increasing the supply of developable land for housing, both within and at the edge of our urban areas.
3. This cover letter provides our key submission points. Detailed feedback on the discussion document questions can be found in the attached appendix.

### Submission

#### General

4. Council acknowledges the Government's commitment to establishing a resource management system that enables growth in our cities, provides for diverse housing needs for our communities, and manages our built and natural resources well. We agree that establishing well-functioning urban environments has significant social, economic and environmental benefits and contributes to the overall wellbeing of our cities and communities.
5. Overall, there are components of the *Going for Housing Growth* package that will provide appropriate mechanisms for managing growth and delivering well-functioning urban environments envisioned by Council and we are supportive of some proposals.
6. Notwithstanding this, there are financial costs that may arise from enabling 'out of sequence' development and unplanned growth, and we emphasise the importance of minimising any additional financial burdens being placed on councils – particularly regarding infrastructure planning and investment. Councils' ability to manage the cost and cost recovery of infrastructure is contingent on certainty in the sequencing of new growth areas, both greenfield and through intensification.
7. One of the significant uncertainties in writing this submission is understanding how the proposals will fit within the context of the new replacement legislation. We have not been able to consider how the proposed NPS-UD changes and *Going for Housing Growth* proposals will interact with the Planning Bill and other national direction instruments, notably the new National Policy Statement for Infrastructure. Additionally, we

are aware that there are several changes happening across Government related to housing and infrastructure. This piecemeal approach makes it difficult to understand how these various policies and instruments will work together.

### ***Spatial planning in the new system***

8. We support the requirement for each region to prepare a spatial plan, provided that there is flexibility for local authorities to focus on sub-regional and metropolitan areas. Our own experience in Christchurch has demonstrated the benefits of planning for growth in a coordinated and integrated way through spatial planning.
9. Given this, we see that existing spatial plans should be recognised as a foundation for regional spatial planning under the new resource management system. This will support continuity in spatial planning, avoid duplication, and ensure efficient use of public resources already invested in collaborative planning processes. We see that the Greater Christchurch Spatial Plan for the Greater Christchurch sub-region, adopted in 2024, should be retained as the basis for the planning of growth in Greater Christchurch.
10. We agree that spatial plans should carry greater weight in land use and regulatory decisions than they do currently. The current absence of statutory recognition for spatial plans has, at times, led to misalignment between statutory and non-statutory planning. This can erode the direction being sought in spatial plans. We see that this is a positive change, offering clearer direction and greater certainty for councils, developers and communities.
11. We also see that spatial planning will be critical in mitigating the risk of growth occurring in an ad hoc and uncosted manner. Development in areas not planned for growth can impose significant additional costs both through the need to deliver unplanned infrastructure and by undermining planned infrastructure investment in growth areas, which rely on anticipated populations to fund upgrades. For example, unplanned development taking up infrastructure capacity that is required to support growth in more appropriate locations, such as around centres and along major public transport routes. We recommend mechanisms are needed to ensure that unanticipated development does not compromise the implementation of spatial plans or the delivery of planned and funded infrastructure (see Paragraph 24 below).
12. Notwithstanding this, we see that the proposal to enable responsive planning has the potential to undermine the effectiveness of spatial planning. This appears to be an inherent tension within the proposed package, and as such seek clarification on how responsive planning will be managed so as not to impact on the implementation of spatial plans.
13. Finally, we agree that spatial planning should play a key role in informing transport and infrastructure planning and investment. This integrated approach would result in greater transparency and certainty by providing a 'roadmap' of anticipated development areas. We welcome this proposal and see it as a significant opportunity to more strategically coordinate planning and infrastructure investment decision-making.

### ***Development in the right places***

14. We are supportive of planning for a high level of housing growth in Christchurch, but we believe growth needs to be managed strategically to limit the risk of uncostered and ad hoc growth.

### **Intensification around Strategic Transport Corridors is beneficial**

15. We support proposals to enable intensification around rapid transit routes and key transport corridors. This is consistent with Council's strategic direction within the Christchurch District Plan, the Greater Christchurch Spatial Plan, and notified Plan Change 14 position, which sought to enable increased density along key public transport routes. For this approach to be successful, it must be supported by investment in public and active transport networks.
16. We recommend that spatial plans—rather than the One Network Framework (ONF)—serve as the mechanism for identifying these corridors. This reflects that spatial plans offer a comprehensive and locally responsive approach to aligning land use with transport priorities. It also removes the complexity of relying on the ONF due to the dynamic nature of how ONF categorisations are determined.

### **Enabling mixed-use development outside commercial centres does not strategically manage growth**

17. We caution against the proposals to move away from a commercial centres' hierarchy and recommend retaining the current strategic approach to developing commercial centres. Council has a centres-based approach in its District Plan, reinforced through Policy 3 of the current NPS-UD. The hierarchy is founded on key principles, including fostering investment certainty, protecting established businesses within respective centres, and ensuring surrounding residential areas are proportionately serviced by commercial activity. Further, the centres-based approach provides a clear roadmap for Council's services, in particular the provision of public transport in a connected and strategic way.
18. A hierarchy seeks to ensure the types and scale of activities are appropriate to the function of the centres, in such a way that the effects of commercial activities in one centre do not compromise the outcomes for another centre. Our experience of the Central City over three decades has highlighted the effects of dispersed suburban retailing and office development can have in this regard. Given the threshold for such effects to be considered is significant, the implications of the hierarchy are not considered unreasonable.
19. Enabling mixed-use development beyond centres and dispersed across a wide spatial area, could compromise the urban development outcomes sought and reduce the current benefits (such as agglomeration benefits) of our centres-based approach. There is a very real risk that it would draw demand away from existing centres, dilute investment and impact on a centre's performance over time. This approach also exacerbates the risk of ad hoc and uncostered growth, limiting the Council's ability to manage growth in a strategic way, and reduce incentives for intensifying in the most appropriate places.
20. The current proposed changes to expand areas enabled for 6-storeys or greater around specific non-commercial centres and the availability of mixed-use zoning may have the impact of pulling both residential and commercial development opportunities away from existing commercial centres. In reality, the city's commercial zones already function as mixed-use zones, with commercial activities enabled on all floors but with residential enabled on first floors and above. Christchurch has 10 commercial centres with high density zoning in their surrounds, with four of these zones permitting development of 10-storeys or greater, thus providing significant opportunities for mixed use developments.
21. Therefore, we have concerns that the enablement of mixed-use development across a wider area will weaken existing commercial centres and their economic activity and opportunities.

### ***Managing cost of unplanned growth***

22. While Council is supportive of enabling high growth for housing, we raise significant concerns about the economic costs of unplanned growth and responsive planning, and the implications for councils in maintaining a healthy and sustainable balance sheet – relating to both capital and operational costs.
23. Enabling development in areas not planned for growth can impose significant additional costs on Council, both through the need to deliver unplanned infrastructure and by undermining planned infrastructure investment in growth areas, which rely on anticipated demand and revenue to fund upgrades.
24. The enablement of out of sequence development can compromise planning for infrastructure and investment. Currently, Policy 8 of the NPS-UD notes ‘well-functioning urban environments’, but it does not require specific consideration of fiscal costs when new areas are opened for development. These new areas draw demand away from existing areas where infrastructure has been planned, and where decisions have been made to invest in infrastructure that can generate a return on investment for Councils. There is a risk that unplanned growth could occur in areas where there may not be a return on investment for Council, including the recovery of costs of servicing these areas.
25. A focus on development in planned locations, through spatial planning, helps ensure cost-effective and efficient use of resources. We recommend that mechanisms are needed in the new resource management system to limit unanticipated development, as well ensure that the implementation of spatial plans and the delivery of planned and funded infrastructure are not negatively impacted by the costs of unplanned growth.

### ***Growth paying for growth***

26. The integration of the *Going for Housing Growth* Programme with the design of the new resource management system presents an opportunity to consider how best to enact the ‘growth pays for growth’ direction. We urge the Government to consider how the new development levy system can be designed in a way that allows councils to receive revenue in a timely and responsive way, especially if there continues to be the possibility of unplanned growth under the new resource management system.
27. Under current Local Government Act (LGA) Long-Term Plan (LTP) requirements, growth funding is allocated ten years in advance, with specific projects identified every three years. The current catchment-based approach for development contributions may cause under collection for growth provision that does not yet have ring-fenced funding in the LTP, which results in ratepayers subsidising growth. This is due in part to the misalignment between infrastructure plans and the LTP funding cycles. The catchment system should be replaced with urban-wide levy zones, to ensure that levies are collected from all new development on a fair and equitable basis.
28. If there was to be an increase in new infrastructure, it will need to be delivered, recovered and accounted for as quickly as possible – until such time, councils still pay costs associated with the debt. The traditional funding period, where development contributions may be collected up to thirty years, will not be sufficient in a high growth target scenario.
29. Overall, we would like legislation enabling spatial planning to manage where and when growth happens and changes to the LGA that strengthen the ability of councils to collect revenue through development levies or contributions in a timely and equitable manner. We doubt growth would be able to pay for growth in some cases which again reinforces the need for planned growth or for Councils to have the ability to have discretion to decline new growth areas where sufficient infrastructure and funding is unavailable.

### ***Housing supply and housing quality***

30. The objective of *Going for Housing Growth* is focused on addressing New Zealand's housing shortage by increasing housing supply. To achieve this, it places greater weight on delivering more housing supply, and less on achieving 'good housing outcomes'. We are concerned by this shift and the potential impacts on residents and their wellbeing.
31. While we agree housing supply is a critical part of addressing housing affordability, we are concerned that under the proposals, increasing supply has the potential to be at the expense of 'good housing outcomes'. We see that basic housing needs, such as access to sunlight, tree canopy cover within an urban environment, and adequate private outdoor spaces, still need to be achieved in the new system.
32. The Council know from the [Life in Christchurch 2023 survey](#) that, for those who would consider living in a two or three storey terraced home, privacy, a private outdoor space and an internal garage or covered parking were the top three factors that would influence their decision. We recognise the value of provisions, such as landscaping and tree requirements, which play a vital role in ensuring that new housing developments positively contribute to the greening of the urban realm and enhancing the overall amenity of the city.
33. Good urban environments are not all about 'buildings and concrete' and we are concerned that the primary emphasis on supply is leading, in practice, to developments maximising yield at the expense of good amenity, design and environmental health. People must enjoy the space they live in. Given this, we also see that there needs to be explicit recognition in the new system of the value of the natural environment in achieving well-functioning, resilient urban areas. For instance, an enhanced and expanded blue-green network is a 'key move' in the Greater Christchurch Spatial Plan, recognising the important role of natural assets - such as waterways, wetlands, and green spaces - in supporting climate resilience, liveability, and biodiversity.
34. While we acknowledge that focusing on housing supply is important for housing affordability, there are also many other factors that impact housing affordability. This includes demand side factors, such as building the right type of housing that people want, as well as other social development policies. Therefore, while supply is important, we urge Government to consider tackling housing affordability issues holistically.
35. Further to this, an increase in housing supply does not necessarily equate to improved housing affordability and attempts to influence the market outcomes, in terms of market sale price or rents, are likely to mostly impact households on medium or high incomes. To address this, we see that the new resource management system must recognise social and affordable housing needs as essential infrastructure, requiring explicit inclusion in planning frameworks and delivery tools. We also ask that the Government consider what opportunities there are in the design of 'Pillar 2' improvements to support affordable housing initiatives and tools in the new resource management system.

### ***Ensuring local voice in any future resource management system***

36. Finally, consistent with our recent submissions to Government across a number of different legislative proposals, we are concerned at the growing erosion of local decision-making. We believe that there needs to be an appropriate balance between national direction and local decision-making that allows a tailored response to local issues where required.
37. Several of the proposals in the *Going for Housing Growth* package propose a shift towards national standardisation in the planning system. While the details of how this will work have yet to be released, we see that any future system needs to support localisms through the enablement of bespoke provisions, particularly where they are necessary to deliver on city-wide strategic objectives and policies.

**Conclusion**

38. The Council appreciates the opportunity to submit on the Going for Housing Growth proposals. We look forward to further discussion with Government and its agencies on reforms to the resource management system.

For any clarification on points within this submission please contact Mark Stevenson, Head of Planning and Consents ([mark.stevenson@ccc.govt.nz](mailto:mark.stevenson@ccc.govt.nz))

Yours faithfully,



Phil Mauger  
**Mayor of Christchurch**