

## **Property Council New Zealand**

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# **Submission to the Environment Select Committee on Resource Management (Consenting and Other System Changes) Amendment Bill**

10 February 2025

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Environment Select Committee  
Email: [en@parliament.govt.nz](mailto:en@parliament.govt.nz)

## **Submission to the Environment Select Committee on the Resource Management (Consenting and Other System Changes) Amendment Bill.**

### **1. Summary**

- 1.1. Property Council New Zealand (“Property Council”) welcomes the opportunity to submit to the Environment Select Committee on the Resource Management (Consenting and Other System Changes) Amendment Bill (“the Bill”).
- 1.2. Property Council supports the objective of the Bill, particularly the intention to create efficiencies in the planning system to make it easier to consent new houses and implement the Government’s Going for Housing Growth policy to unlock land for housing.

### **2. Introduction**

- 2.1. Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive.”
- 2.2. The property sector shapes New Zealand’s social, economic, and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional, and sustainable built environment. We aim to enable opportunities to build sustainable and resilient communities, capable of meeting future needs.
- 2.3. Property is New Zealand’s largest industry and fastest growing source of employment. There are nearly \$2.2 trillion in property assets nationwide, with property providing a direct contribution to GDP of \$50.2 billion (15 per cent) and employment for 235,030 New Zealanders every year.
- 2.4. Property Council is the collective voice of the property industry. We connect over 10,000 property professionals and represent the interests of over 550 member organisations across the private, public, and charitable sectors.
- 2.5. Property Council’s submission provides feedback on the [Resource Management \(Consenting and Other System Changes\) Amendment Bill](#). Comments and recommendations are provided on issues relevant to Property Council’s members.

### **3. Recommendations**

- 3.1. At a high level, Property Council recommends that the Environment Select Committee:
  - Urge the Government to set clear expectations for when local government are to complete plan changes;

- Urge the Minister Responsible for RMA Reform to make clear that no further extensions will be granted for local Plan Changes relating to the National Policy Statement on Urban Development and Medium Density Residential Standards;
- Urge the Government to establish clear national direction to avoid any unintended consequences from local government implementation;
- Amend the Bill to define the word ‘significant’ as a high threshold test for natural hazards to ensure that councils cannot impose restrictive conditions on sites to halt development; and
- Amend the Bill to include a process where an applicant can challenge a request for further information by a consent authority.

#### **4. Housing growth**

- 4.1. The Bill enables councils to opt out of the Medium Density Residential Standards (“MDRS”) if they demonstrate 30 years of housing growth capacity. This would make MDRS an optional tool in local governments’ toolkit to provide housing growth. We support the MDRS changes on the proviso that councils plan for 30 years of growth.
- 4.2. Despite our support, we are disappointed that a cross-partisan agreement on MDRS has been amended without cross-partisan support. Revoking or amending cross-partisan agreements without cross-partisan support does not provide the long-term certainty and confidence that New Zealand businesses and the public sector need to undertake decision making.
- 4.3. Over the last couple of years, local governments have requested extensions to plan changes. For example, Auckland Council’s Plan Change 78, which incorporated the National Policy Statement on Urban Development (“NPS-UD”) and MDRS plan changes, was initially required to be publicly notified by 20 August 2022<sup>1</sup>. However, two extensions have been granted (one by the previous Minister Parker and another by Minister Bishop) – now due on 31 March 2026. Similarly, Christchurch City Council has been granted an extension until 12 December 2025 to notify its decision on the MDRS within Plan Change 14.<sup>2</sup> Extensions create uncertainty for the property sector.
- 4.4. Clause 77FA(1) of the Bill requires territorial authorities that have incorporated the MDRS into their district plan to decide whether to retain the MDRS in the plan, alter the MDRS in the plan, or remove the MDRS from the plan. This decision must be made by resolution no later than one year after that section comes into force. The legislative process timeframe would likely result in territorial authorities having until mid-to-late 2026 to make a decision regarding MDRS. Although we are supportive of the legislative

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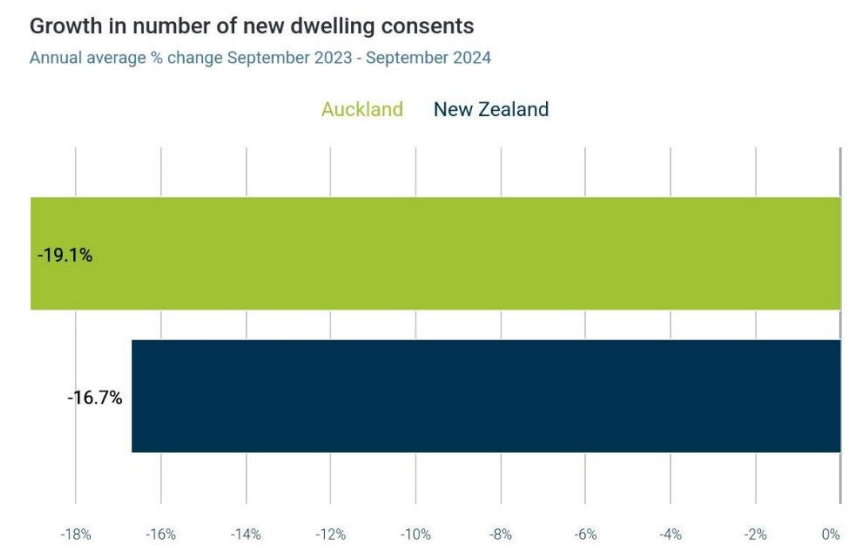
[https://www.aucklandcouncil.govt.nz/UnitaryPlanDocuments/PC%2078%20Information%20Sheet%207%20Qualifying%20Matters%20\(Part%201\).pdf](https://www.aucklandcouncil.govt.nz/UnitaryPlanDocuments/PC%2078%20Information%20Sheet%207%20Qualifying%20Matters%20(Part%201).pdf)

<sup>2</sup> <https://www.newline.ccc.govt.nz/news/story/more-time-granted-for-housing-intensification-plan-change>

clarity, we recommend that no further extensions be granted beyond that of the legislation.

- 4.5. Due to the plan change extensions, many of our tier 1 cities have large areas that remain “under investigation” as a precursor to a decision on what zone changes or future rules will apply. Consequently, the property sector is living in a state of flux and uncertainty as to whether they can or cannot build on sites across the country.
- 4.6. As a direct result of plan changes not being completed, residential consenting numbers have significantly declined. For example, on an annual basis, the number of residential consents in Auckland decreased by 19.1 per cent by September 2024 compared with the same 12-month period a year before. Similarly, the number of residential consents across New Zealand has decreased by 16.7 per cent over the same period.<sup>3</sup>

**Table 1. Residential consents September 2023 – September 2024**



- 4.7. To create certainty, local government must deliver plan changes as soon as possible. We encourage the Government to set clear expectations of when local government is to complete plan changes and provide no room for extensions. We support the Minister’s ability to direct that plan changes must occur if there is non-compliance with a national direction.
- 4.8. We support the Streamlined Planning Process for removing or altering the MDRS within the legislation as a mechanism to provide certainty more quickly for the property sector.

*Minister for the Environment’s new intervention powers*

<sup>3</sup> Infometrics, Quarterly Economic Monitor, September 2024  
<https://qem.infometrics.co.nz/auckland/housing/residential-consents>

- 4.9. The Bill introduces new powers for the Minister to ensure compliance with national direction. We support this provision to ensure that local government is following national direction.
- 4.10. Property Council's past submissions have highlighted concerns regarding local government not following national direction and creating workarounds. For example, many local authorities have quoted general infrastructure constraints as a reason to reduce development. Other local authorities have created blanket flood zone overlays to halt development. The Bill's new Ministerial powers will hopefully assist in cases like this.
- 4.11. We recommend that national direction is clear to ensure compliance and avoid any unintended consequences.

*Heritage buildings delisted process*

- 4.12. The Bill simplifies the delisting of heritage buildings and structures. We support policies that strike an appropriate balance between preserving the natural and built environment, health and safety, and redevelopment. We support enabling the removal of heritage status where appropriate.

**5. Natural Hazards**

- 5.1. The Bill clarifies and reinforces councils' ability to decline land use consents or impose conditions when 'significant natural' hazard risks are present. We are concerned that the word 'significant' is not defined within the legislation and recommend that it has a high threshold before councils can impose conditions on land.
- 5.2. We would not support councils having the ability to decline land use consent or impose conditions solely due to the presence of a natural hazard, as many can be mitigated or resolved. For example, risks can be mitigated through careful design, planning, and infrastructure. There were many examples of effective planning and design protecting medium density housing developments during the 2023 Auckland floods.<sup>4</sup>

*Immediate legal effect*

- 5.3. This is further concerning as the Bill also allows for plan changes that introduce new natural hazards rules to have immediate legal effect. Our members are concerned that immediate legal effect may have potential cost implications and delays for projects that are within a development process without the opportunity for a hearing.
- 5.4. For example, Tauranga City Council's Plan Change 27 implemented similar immediate legal effect provisions for natural hazards. This resulted in considerable challenges for the property sector between the plan change notification and decision phase. As a result, Tauranga City Council had to make substantial modifications following a

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<sup>4</sup><https://www.stuff.co.nz/life-style/homed/real-estate/131559591/the-medium-density-housing-developments-that-defied-the-auckland-floods--this-is-how-they-did-it>

submission and hearing process. The impacts of natural hazard rules taking immediate legal effect will impact developers differently at different stages of the development pipeline. This highlights the importance of early engagement with the property sector before any significant natural hazard changes are announced within a Plan Change and take legal effect.

5.5. Furthermore, we are concerned that this lack of clarity within the legislation could open the floodgates as a way for local authorities to halt development. We therefore recommend that a high threshold definition creating a need for there to be a “significant” natural hazard for a land use consent to be declined could mitigate our concerns. We also note the Government’s Going for Housing Growth policy, which will require local authorities to plan for 30 years of growth, and mitigate our wider concerns regarding local authorities restricting development.

5.6. We wish to see local authorities working closely with the property sector when implementing plan changes, particularly those of a ‘significant’ nature.

## **6. Section 92 amended: further information, or agreement, may be requested**

6.1. Property Council supports the addition of proposed section 92(2B) which relates to a consent authority obtaining further information in relation to a resource consent application. However, we do believe that parameters be put in place if this should occur i.e. requiring a process for an applicant to challenge a request for further information.

## **7. Conclusion**

7.1. Property Council thanks the Environment Select Committee for the opportunity to submit on the Resource Management (Consenting and Other System Changes) Amendment Bill. We support the Bill’s objective of creating efficiencies in the planning system to make it easier to achieve housing growth in New Zealand.

7.2. We are concerned that Plan Changes are taking too long to be implemented by local authorities. Consequently, we are seeing a holding pattern across New Zealand, with declining consent numbers and greater uncertainty for the property sector. To resolve this, clear Government direction is required, with no further extensions granted for Plan Changes.

7.3. We wish to speak as part of our submission. For further enquiries, please do not hesitate to contact Sandamali Ambepitiya, Senior Advocacy Advisor, via email: [sandamali@propertynz.co.nz](mailto:sandamali@propertynz.co.nz).

Yours Sincerely,



Leonie Freeman

CEO Property Council New Zealand