

Ministry for Cities, Environment, Regions & Transport
Via Citizen Space: <https://consult.environment.govt.nz/>

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RE: Testing the Approach to National Policy Direction

Community Housing Aotearoa – Ngā Wharerau o Aotearoa (CHA) thanks the Ministry for Cities, Environment, Regions & Transport (MCERT) for the opportunity to share our perspectives on the Illustrative National Policy Direction document as an example of the main tool to implement the Planning Act and the Environment Act. We have prepared this submission in response to the Illustrative National Policy Direction document seeking feedback on the proposed approach.

CHA is an Incorporated Society and a peak body for the community housing sector. To achieve our vision of ‘all New Zealanders well-housed’, we have a strategic focus on supporting a well-functioning housing system and working toward the realisation of the right to housing. We are also mindful of the larger institutional and regulatory settings within which our members and other community organisations operate.

Our member organisations provide homes for nearly 30,000 people nationally across 26,000 homes, and our partner members include developers, consultants, and local councils. Community Housing Organisations are primarily not for dividend entities that develop, own, and/or manage social and affordable housing stock, with a variety of tenure offerings.

CHA is a proud tangata Tiriti organisation and works closely with national Māori housing advocate Te Matapihi, which also represents iwi-based and Māori community housing organisations.

More about us can be found [here](#).

Central submission

The National Policy Direction should establish a clear hierarchy in which environmental integrity, human health, community wellbeing and enduring public benefit provide the guardrails for the use and development of land. Within those guardrails, the planning system should require housing outcomes that respond to evidenced local needs, including affordability, tenure and housing typology. Inclusionary housing should be expressly enabled as an implementation tool where the private market does not deliver those outcomes.

1. Introduction

Community Housing Aotearoa - Ngā Wharerau o Aotearoa (CHA) welcomes the opportunity to comment on the Illustrative National Policy Direction document (NPD). We support the objective of creating a clearer and more consistent planning framework. National direction can reduce unnecessary duplication and uncertainty, but its value will depend on whether it directs the system toward outcomes that are environmentally sustainable, socially equitable and capable of being implemented. We have consistently supported sensible planning reforms which will enable better housing outcomes with more certainty for all participants. We see the National Policy Direction approach as a critical component to ensure not just an increase in housing delivery speed and volume, but better community and social outcomes.

Homes are foundational infrastructure for whānau and community wellbeing. A planning system that enables development but does not deliver affordability, suitable housing types or long-term public benefit will not meet the needs of many communities. Increasing development opportunities is important, but supply alone does not ensure that homes are affordable relative to local incomes, suitable for local households, or retained for public benefit.

Our submission therefore focuses on three linked matters: first, the relationship between private property rights and environmental and public benefit outcomes; second, the need for housing affordability and typology to be explicit and monitored through measurable outcomes; and third, the need to enable inclusionary housing where market delivery is insufficient.

2. Recommendations

1. Revise the cross-cutting direction so that private property rights are recognised within, and are not elevated above, environmental limits, human health, natural hazard resilience, Te Tiriti and Māori interests, and demonstrable public benefit.
2. Make clear that environmental integrity and enduring public benefit are primary planning outcomes, rather than residual matters to be balanced only after private development expectations have been established.
3. Amend the Housing and Development theme so that well-functioning urban and rural areas must provide housing that is affordable to local households and reflects identified needs for typology, size, accessibility, tenure and location.
4. Require regional spatial plans and land use plans to be informed by regularly updated Housing Needs Assessments using a nationally consistent methodology, ideally provided by MCERT to ensure a consistent, standardised delivery of the data.

5. Adopt a nationally consistent, income-related definition of affordable housing, while allowing local plans to set outcomes for different household groups and tenures.
6. Expressly enable Inclusionary Housing programmes through NPD and national standards, including mandatory approaches where adopted by a local authority following evidence of unmet need and feasibility analysis.
7. Require Inclusionary Housing contributions to be retained for long-term public benefit through appropriate entities and mechanisms, including registered Community Housing Providers, iwi and Māori housing organisations, and other suitable not-for-profit providers.
8. Ensure that the urban land-market framework considers land banking, staged release and build-out behaviour, not only local authority planning constraints. Appropriate mechanisms to respond to these market behaviours should be identified and utilised when enabled land is not resulting in new homes.
9. Align urban expansion and intensification direction with efficient infrastructure investment, climate-adjusted natural hazard information and adaptation planning.

3. Environmental and public benefit outcomes must provide the overarching framework

The illustrative NPD places private property rights at the centre of the proposed planning framework. CC-Directive 1 enables private land use unless restrictions are necessary to prevent unreasonable effects on others or to provide for important public values. Theme 5 then describes public values as matters to be protected proportionately while avoiding unnecessary constraints on private property rights. Read together, these provisions risk treating environmental and public outcomes as qualifications on a primary entitlement to develop, rather than as fundamental conditions for a healthy, resilient and equitable society.

CHA submits that this framing should be reconsidered. Property rights are important, but they exist within a wider social, environmental and institutional context. Planning decisions can create substantial private value through zoning, infrastructure investment and development rights. They can also distribute costs across communities, future generations, ratepayers and the natural environment. National direction should therefore give clear priority to environmental limits, human health, natural hazard resilience and demonstrable public benefit when these outcomes conflict with private interests.

This is particularly important because the draft proposes permissive development provisions, narrower regulation and regulatory relief where controls significantly constrain reasonable land use. Without a clear hierarchy, these mechanisms may discourage councils from protecting environmental values or pursuing legitimate community outcomes because of regulatory-relief exposure, challenge risk, or uncertainty about the weight to be given to public benefit. This uncertainty can result in litigation which is the opposite of the intended results of the new framework.

Requested amendments

- Amend CC-Directive 1 to state that use and development of private land is enabled only where it is consistent with environmental limits, human health, natural hazard resilience, Māori interests and enduring public benefit.
- Add a cross-cutting directive requiring planning instruments to protect and enhance environmental and public benefit outcomes, including equitable access to housing and infrastructure.
- Clarify that reasonable, evidence-based planning controls adopted to secure environmental protection, housing affordability or other public benefits should not, solely because they constrain land use, create an entitlement to regulatory relief.
- Require all conflict-resolution directives to identify which outcomes prevail when environmental limits, public benefit and private development expectations cannot all be achieved.

4. Housing affordability and local housing need must be explicit outcomes

The Housing and Development theme defines a well-functioning urban area by reference to choice, accessibility, mixed use, infrastructure efficiency and development capacity. HD-Directive 2.1 requires a diverse range of housing types for different households and communities. These are useful foundations, but they do not require homes to be affordable to the households whose needs are identified, nor do they connect enabled capacity to measurable delivery outcomes.

CHA's previous submissions on Resource Management Act reform legislation have consistently distinguished housing supply from housing affordability. A planning system may enable more homes while still failing to deliver homes that low- and moderate-income households can afford. It may also deliver a narrow range of products that maximise market returns but do not meet identified needs, such as accessible homes, smaller homes for older people or single-person households, larger homes for whānau, secure affordable rentals, progressive home ownership options, papakāinga, or accommodation for key and seasonal workers.

Housing affordability and typology should therefore be treated as core components of a well-functioning housing market area, capable of measurement and monitoring. The appropriate mix will vary by place. The NPD should set a national requirement for evidence-based assessments of need and monitoring of outcomes, while leaving regional and local planning processes to determine the precise response.

Proposed amendments to the Housing and Development theme

Provision	Recommended direction
Policy intent	State that the planning system must enable sufficient housing and ensure that development contributes to affordable, inclusive and resilient communities.
HD-Directive 2.1	Add a requirement to provide for housing prices and rents that are affordable relative to household incomes and evidenced local housing need.
HD-Directive 2.1	Require the range of housing types, sizes, accessibility features, locations and tenures to respond to a current Housing Needs Assessment.

HD-Directive 3.1	Apply equivalent affordability and needs-based typology direction to rural towns and settlements, including the needs of seasonal and essential workers.
Interpretation	Expand the definitions of well-functioning urban and rural areas to include affordability and measurable delivery against local housing need.
National standards	Require a nationally consistent Housing Needs Assessment methodology, affordability measures, monitoring indicators and review periods.

5. Housing Needs Assessments should connect evidence to planning outcomes

CHA recommends that Housing Needs Assessments be embedded across the planning hierarchy. They should inform regional spatial plans, land use plans, housing strategies and decisions about whether additional tools such as Inclusionary Housing programmes are required. The assessment should identify current and projected unmet need, affordability relative to income, required housing types and tenures, accessibility requirements, Māori housing aspirations, infrastructure needs and the needs of groups not adequately served by the market.

A nationally consistent methodology and review cycle would improve comparability and certainty, while local evidence would ensure that plans reflect actual communities. Assessments should lead to quantified outcomes and be reviewed regularly so that responses can change as demographics, incomes, rents, prices, hazards and market delivery change.

Suggested directive: Regional spatial plans and land use plans must be informed by a current Housing Needs Assessment and must identify how enabled capacity, infrastructure investment, planning provisions and implementation tools will meet identified needs for affordable housing, housing typology, tenure, accessibility and location. Consider whether these are best delivered by MCERT to ensure a consistent, standardised delivery of the data.

6. Inclusionary housing should be enabled as an implementation tool

Inclusionary Housing is a planning tool that requires or incentivises a proportion of development value, land or homes to be directed to affordable housing. Its purpose is not to replace the fundamental role of market supply, public housing investment or other housing programmes. It is an additional mechanism that can address the gap between enabled development and the actual housing outcomes a community requires.

The need for this tool is particularly clear where development rights or public infrastructure generate land-value uplift but the market does not deliver affordable prices, rents or required typologies. In those circumstances, an inclusionary requirement can retain part of the value created by the planning system for long-term community benefit. It can also direct delivery toward locally identified gaps, such as accessible homes, affordable rentals, family-sized homes suitable for multi-generational living, or progressive home ownership.

CHA's earlier work recommends explicit national authority because legal uncertainty has inhibited adoption by councils. The NPD and national standards are an appropriate place to connect that authority to consistent requirements for evidence, feasibility, implementation, retention, monitoring and review. It simply extends the overall standardisation approach to include an effective tool where the market is not able to effectively respond to the identified needs of a community or market area.

Recommended national framework for Inclusionary Housing programmes

Evidence: A current Housing Needs Assessment identifies material unmet affordability or typology needs.

Local decision: A council may adopt an inclusionary housing policy following consultation and evidence that it is appropriate for the relevant housing market area.

Feasibility: Contribution rates and thresholds are supported by market-area and development-typology feasibility analysis, with suitable transition arrangements.

Coverage and certainty: Requirements are clear, consistently applied and mandatory once adopted, so that participants can price them into land transactions during the transition period.

Forms of contribution: Policies should require on-site affordable homes or land contributions, with options for off-site provision or payments in lieu as alternatives controlled by the council and aligned to the Housing Needs Assessment.

Retention: Homes and contributions are protected for long-term public benefit and delivered through suitable entities and tenure mechanisms.

Māori land: The framework is developed with tangata whenua and includes appropriate treatment and protection of Māori land and Māori housing aspirations.

Monitoring: Councils report on contributions, homes delivered, household groups served, affordability and typology outcomes, with periodic review. Once documented in the Housing Needs Assessment process, a successful programme meeting identified local needs could then be suspended.

Suggested national-standard provision: Land use plans may include Inclusionary Housing provisions, including mandatory requirements or contributions, where a Housing Needs Assessment identifies unmet need and the policy is supported by prescribed feasibility, consultation, retention, monitoring and review requirements.

7. Competitive land-market direction should address market behaviour as well as regulation

The competitive urban land-market provisions assume that abundant developable land and permissive planning rules will moderate land prices and improve housing outcomes. That relationship should not be

treated as automatic. The framework should also recognise that land banking, staged release, absorption-rate strategies, infrastructure sequencing, construction-sector capacity and financing conditions can affect whether enabled capacity actually results in completed homes at sufficient volumes.

The urban land market statutory officer's framework should therefore assess both regulatory and market constraints. Where additional development rights create land-value uplift, the NPD should support value-capture tools, including Inclusionary Housing, so that a portion of the publicly created value contributes to affordable housing and community outcomes. Where land has been enabled with infrastructure and there are no sector capacity or financing constraints, developer behaviours which limit the volume of new supply should be addressed. Incentives such as, but not limited to, targeted rate increases can be utilised to encourage development.

8. Infrastructure efficiency, climate risk and adaptation

The direction enabling urban expansion without urban growth boundaries or a requirement to connect to existing urban areas should be reconciled with cross-cutting directives on efficient infrastructure investment and avoiding unnecessary long-term public costs. Out of sequence expansion may transfer infrastructure and service costs to councils, ratepayers and future communities.

CHA supports the inclusion of climate-adjusted natural hazard risk and adaptation planning. This direction should be strengthened by requiring early identification of locations where ongoing development or infrastructure investment is unlikely to remain safe, resilient or economically sustainable. Spatial plans should connect growth decisions, infrastructure investment and adaptation pathways, including managed retreat where relevant.

9. Responses to the Government's consultation questions

Is the thematic structure clear and easy to understand?

Broadly yes. However, separating Housing and Development from Public Values may reinforce an artificial distinction between development and community wellbeing. Housing affordability should be integrated into the Housing and Development theme and treated as a cross-cutting public benefit outcome.

Does the illustrative NPD show how national direction could work?

Yes, the hierarchy from NPD to national standards, spatial plans and local plans is reasonably clear. Greater clarity is needed about how conflicts are resolved, which outcomes prevail and how directives translate into measurable delivery. Our recommendations above provide potential solutions to address conflicts by establishing a clearer hierarchy.

What priorities, gaps or trade-offs are not adequately reflected?

The principal gaps are housing affordability, needs-based housing typology, Inclusionary Housing where the market does not deliver, the treatment of public benefit relative to private property rights, market behaviours that constrain delivery, and the integration of infrastructure efficiency with urban expansion and climate adaptation.

How could NPD be made more useful and effective?

Use outcome-focused directives supported by clear definitions, nationally consistent assessment methods, measurable targets, implementation tools and monitoring. Avoid relying on enabled capacity as a proxy for delivered affordability or suitable housing. Require formal Housing Needs Assessments with regular monitoring and updates to ensure outcomes are achieved.

10. Conclusion

The illustrative NPD is an important opportunity to establish the values and outcomes that will shape the new planning system. CHA supports clearer and more consistent national direction, but submits that the present emphasis on private property rights and development enablement is not adequately matched by direction on environmental integrity, public benefit and equitable housing outcomes.

A successful planning system must do more than make development possible. It must help ensure that communities receive the homes, infrastructure, environmental quality and resilience they need. This requires housing affordability and typology to be explicit outcomes, evidence to be provided through Housing Needs Assessments, and Inclusionary Housing to be available for communities to adopt where the private market does not deliver.

CHA welcomes further engagement on the design of national direction and standards for Housing Needs Assessments, affordability measures and Inclusionary Housing programmes.

Ngā mihi,



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