

Medium Density Plan Change – PC:I - Summary Statement

Jonathan Ferguson-Pye - Strategic Planning

- [1] My name is Jonathan Ferguson-Pye. I am the Manager City Planning here at the Palmerston North City Council (“**the Council**”). My qualifications and experience are set out in my s 42A report.
- [2] In my role I am responsible for the strategic land use planning of Palmerston North, including Palmerston North District Plan (“**District Plan**”) policy administration, development of land use strategies and implementation of central government national direction to support decision-making under the Resource Management Act 1991 (“**RMA**”).
- [3] I have been involved with Plan Change I (“**PC:I**”) since November 2021 and I’m responsible for overseeing the progression of PC:I on behalf of the Council.
- [4] When considered within the broader strategic context of the city’s urban growth settings, I consider that PC:I sits comfortably within the ‘Growing-In, Growing-Up and Growing-Out’ elements of the Council’s Future Development Strategy (“**FDS**”). PC:I forms part of a coordinated programme of plan changes to deliver sustainable outcomes that contribute to meeting the Housing Bottom Lines (“**HBL**”) in the Regional Policy Statement.
- [5] Whilst Horizons Regional Council (“**the Regional Council**”) raised concerns about whether sufficient infill capacity was being enabled to meet the HBL in its original submission, evidence from Mr Wickramasinghe following the Council’s various s 42A reports does not raise this concern. I infer from this that the Regional Council is satisfied with the revised modelling and role of PC:I in contributing to enabling additional infill capacity, as Ms Andrews described in her s 42A report.
- [6] The policy development and review processes associated with the Housing and Business Needs Assessment (“**HBA**”), FDS and District Plan require monitoring of the efficiency and effectiveness of outcomes against the HBLs in the Regional Policy Statement. If monitoring indicates demand for medium density is not being met by current policies and rules of the District Plan, the Council can amend these provisions via a review of the Residential Zone.
- [7] PC:I delivers the “Growing-Up” element of the FDS by enabling medium density development in infrastructure-ready, well-connected areas. This approach reinforces compact urban form, utilises existing infrastructure efficiently, avoids productive land and liquefaction risk, maintains development within flood protection schemes, and promotes accessibility to employment and services.

- [8] All growth options face stormwater management challenges. PC:I's targeted approach through application of the Stormwater Overlay recognises the technical and fiscal challenges of stormwater management. Rather than requiring major new infrastructure investment, the Stormwater Overlay ensures development can progress where stormwater impacts can be appropriately managed, making efficient use of existing network capacity while requiring site-specific mitigation where needed. I consider this is very much aligned to the effects-based approach of the RMA – PC:I requires developers to identify and mitigate the stormwater-related effects of their development either on their own property or which may be generated by their development to effect other properties. Council has the ability to decline a consent application if these effects are not identified and appropriately mitigated.
- [9] The Council is facing fiscal constraints for the funding and financing of infrastructure to support growth. Affordability and funding of infrastructure is an emerging issue for the local government sector.¹ In preparing its 2024 Long Term Plan (“**LTP**”), the Council proposed to use a mix of Council debt (LTP funded) and off-balance sheet funding mechanisms (such as IFFA funding or developer agreements) to fund growth infrastructure due to statutory debt head-room issues.
- [10] The 2024 LTP identified significant funding challenges, including a \$550 million wastewater treatment requirement and growth-related capital expenditure of \$1.61 billion, requiring increased rates and debts levels approaching policy limits. The Council does not have the borrowing capacity to fund all proposed capital expenditure from debt.
- [11] Whilst robust asset management processes and practice is critical, so is consideration of Council's fiscal constraints in determining whether potential development areas are “infrastructure-ready” as required by the National Policy Statement for Urban Development (“**NPS:UD**”). Understanding where network capacity is constrained, or has headroom to accommodate additional development, is also relevant. If this is not the case, Council runs the risk of potentially needing a moratorium on development in some areas, as has happened in other parts of the country. Greytown is one area that springs to mind where this situation has occurred.
- [12] Considering the fiscal constraints and lead-in times for new funding mechanisms, the targeted approach of PC:I is prudent. PC:I provides housing supply through intensification where infrastructure capacity can be managed more efficiently. Submissions requesting significant MRZ extensions would push against financing constraints and raise unrealistic development expectations.

¹ Jonathan Ferguson-Pye SOE, paragraph 62.

Dated: 29 August 2025