Before Independent Hearings Commissioner

Rotorua Lakes Council

In the matter of **Rotorua Lakes Council Proposed Plan Change 10: Definitions and Rule Refinements**

Statement of evidence by Jonathon Fraser

24 September 2026

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1 Introduction

1.1 My full name is Jonathon Fraser.

1.2 I am a Director in the Place-Based team at the Ministry for Cities, Environment, Regions, and Transport (MCERT), previously the Ministry of Housing and Urban Development (HUD). I have around 31 years' experience across a variety of advisory and leadership roles within the Public Service, the last ten of which have been in housing (including the last 8 years at HUD). In my current role I have responsibilities relating to the delivery of housing and related services funded by MCERT. This previously included direct involvement and/or responsibility for Contracted Emergency Housing (CEH) in Rotorua since its inception and until its cessation in November 2025.

1.3 In that time, I have worked closely with other government agencies, local stakeholders, housing providers, and Rotorua Lakes Council (RLC); to gain a deep understanding of Rotorua's housing context and develop and support housing solutions that help reduce the need for emergency housing. I have also been and continue to be involved in a range of cross-sector homelessness strategies and related working groups.

1.4 The majority of my evidence is factual in nature. However, to some extent my evidence interprets data and expresses opinions about the causes of the past housing challenges in Rotorua and changes in the housing environment over the past number of years. Accordingly, and while this is a Council-level hearing, I have read the Environment Court's Code of Conduct for Expert Witnesses set out in section 9 of the Environment Court Practice Note 2023. I complied with the Code of Conduct in preparing this written statement of evidence and agree to adhere to it in giving any oral evidence to the hearing.

1.5 My qualifications and experience are set out above. Other than where I state that I am relying on the advice of another person, I confirm that the issues addressed in this statement of evidence are within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

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2 Purpose of this evidence

2.1 I recognise that a district plan must respond to the existing environment. However, it is important to begin with the context that has led to the current circumstances. As Sarah Stevenson explains in her expert planning evidence, RLC appears to have conflated the historical operation of CEH with the existing environment. This evidence provides an overview of the wider housing system in Rotorua, progress that has been made and the current context. It sets out:

(a) A summary of the drivers of the housing challenges.

(b) The context in which Contracted Emergency Housing was previously delivered, and the other actions taken by the Rotorua Housing Taskforce at that point to support housing need in Rotorua.

(c) Progress made on increasing housing supply and reducing Rotorua's need for emergency housing.

(d) The current context in which emergency housing operates and how emergency housing vouchers are used in visitor accommodation temporarily.

3 Rotorua Housing context

3.1 Following a period of rapid population growth and insufficient housing supply, Rotorua experienced a housing shortage. RLC has previously acknowledged that decades of low population growth meant its District Plan was not adequately kept up to date and was too restrictive, contributing to an inadequate supply response[1]. Infrastructure constraints and additional costs of development due to geotechnical issues also contributed.

3.2 In addition to planning and infrastructure constraints, incentives to build housing in Rotorua have not been strong due to poor development economics.[2] Where house prices on the market are below the cost of

1 Letter dated 16 December 2021 Resource Management (Enabling Housing Supply and Other Matters) Amendment Act.

2 Sourced from Dashboard - Ministry for Cities, Environment, Regions and Transport (Formerly Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development)

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construction, increased demand causes house prices and rents to rise until new homes are priced competitively compared to existing ones.

3.3 The growing shortage of homes had several negative effects over time. The number of houses available to rent reduced. The tightening in the Rotorua rental market caused rents to rise relative to incomes. In addition to increased financial stress from higher rental costs, the shortfall in housing also increased the number of households living in a crowded situation. Declining rental affordability flowed through into increased numbers on the housing register, which increased from 103 applicant households in mid-2017 to a peak of over 1,100 households in mid-2022. Applicants on the housing register per 10,000 population were in line with the rest of the country until 2019, when they rapidly diverged.

3.4 The shortage of housing and resulting poor rental affordability and availability eventually flowed through into significant numbers of households in various forms of temporary, emergency housing. At the peak of usage in November 2021, there were 692 households in emergency housing (receiving Emergency Housing Grants (EHG)), in CEH and HUD contracted COVID-19 response motels).[3]

4 The Rotorua Housing Taskforce and Emergency Housing

4.1 The Rotorua Housing Taskforce (the Taskforce) was established in March 2021. The Taskforce was a collaborative partnership of RLC, the Ministry of Social Development (MSD), HUD, Kāinga Ora, Te Puni Kōkiri, Te Arawa, and various service providers. The aim of the Taskforce was to develop immediate short-term solutions to improve the environment for whānau receiving EHGs and the wider community, while more permanent housing solutions were developed. The Action Plan recommended by the Taskforce (which included RLC) and agreed by Cabinet in May 2021 included:

(a) HUD contracting suitable motels specifically for emergency accommodation with an initial focus on whānau with children.

3 Data sourced from the Ministry for Cities, Environment, Regions and Transport

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(b) wrap-around social support services for whānau and children in contracted accommodation, and improved support for people in motels receiving an EHG.

(c) a new community-led housing hub – Te Pokapū – including a collective of social services, iwi, and agencies. The core function of Te Pokapū was to triage, assess, and where necessary place people into CEH, or refer people to agencies and services.

4.2 The approach recommended by the Taskforce and agreed by the Government was a bespoke solution responding to the problems identified in Rotorua for whānau and children in emergency housing.

4.3 In 2022, when HUD initially applied for resource consent to operate 13 motels as CEH, it was anticipated that the scale of Rotorua's housing challenges would require a multi-year timeframe to overcome - up to five years. This is because it was intended that households would reside in CEH until another housing solution became available and this was largely dependent on new social housing supply. However, consent was only granted for a two-year period. This meant HUD had to go through another resource consent process in 2024 seeking consent for a further year. HUD exited all CEH motels by December 2025.

4.4 The Taskforce was succeeded in December 2022 by the Rotorua Housing Accord (the Accord), which aimed to bring together central and local government with Te Arawa and Ngāti Whakaue to address Rotorua's housing challenges. The Accord was focused on issues relating to the wellbeing of those in temporary housing and effects on the wider community, and on expanding Rotorua's housing supply. One of RLC's priorities at the time was reducing the number of emergency housing motels on Fenton Street. As part of this, MSD in agreement with RLC focused emergency housing motels to other locations in Rotorua, and as explained in paragraph 6.4, there are now two motels supporting EHG recipients.

5 Plan Change 9

5.1 MCERT commends RLC for notifying RLC Plan Change 9: Housing for Everyone on 20 August 2022. The plan change was required under the National Policy Statement on Urban Development 2020 (NPS-UD) and

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adopted the Medium Density Residential Standards (MDRS). Following a request by RLC, Te Tatau o Te Arawa and Te Arawa Lakes, in February 2022 the Government, via an Order in Council, required RLC to incorporate the MDRS and to use the Intensification Streamlined Planning Process. The MDRS provisions incorporated within Plan Change 9 significantly increased the development opportunities for housing across the Rotorua urban area, including for higher density housing.

6 Government investment in Rotorua and partnership achievements

6.1 Complementing RLC's Plan Change 9, the Government has heavily invested in enabling infrastructure and housing in Rotorua. This includes:

(a) $84.6m through the Infrastructure Acceleration Fund to improve stormwater capacity in Rotorua's central and western areas. According to RLC estimates this investment will enable around 1,765 and 1,320 dwellings in those areas, respectively.[4]

(b) The shovel ready investment of $55m committed in July 2020. This investment in State Highway 30 and other key enabling infrastructure works will enable future stages of the Ngāti Whakaue Tribal Lands development at Wharenui Rise (around 1100 homes over time). The improvements, through to Wharenui Road, will address key transport constraints to future stages of Ngāti Whakaue Tribal Lands Wharenui Rise development.

(c) $20m committed to RLC for other enabling infrastructure for Wharenui Rise. This included $5m for local roading improvements and $15m for sewerage and stormwater infrastructure.

(d) A net increase of 950 housing places[5] delivered since November 2021.

6.2 Since this time MCERT has continued to work alongside RLC, iwi and other community agencies in the allocation of 150 additional new social housing places to be delivered in Rotorua through a new community-led

4 Retrieved from: RLC receives $85m from Govt Infrastructure Acceleration Fund - Rotorua Lakes Council

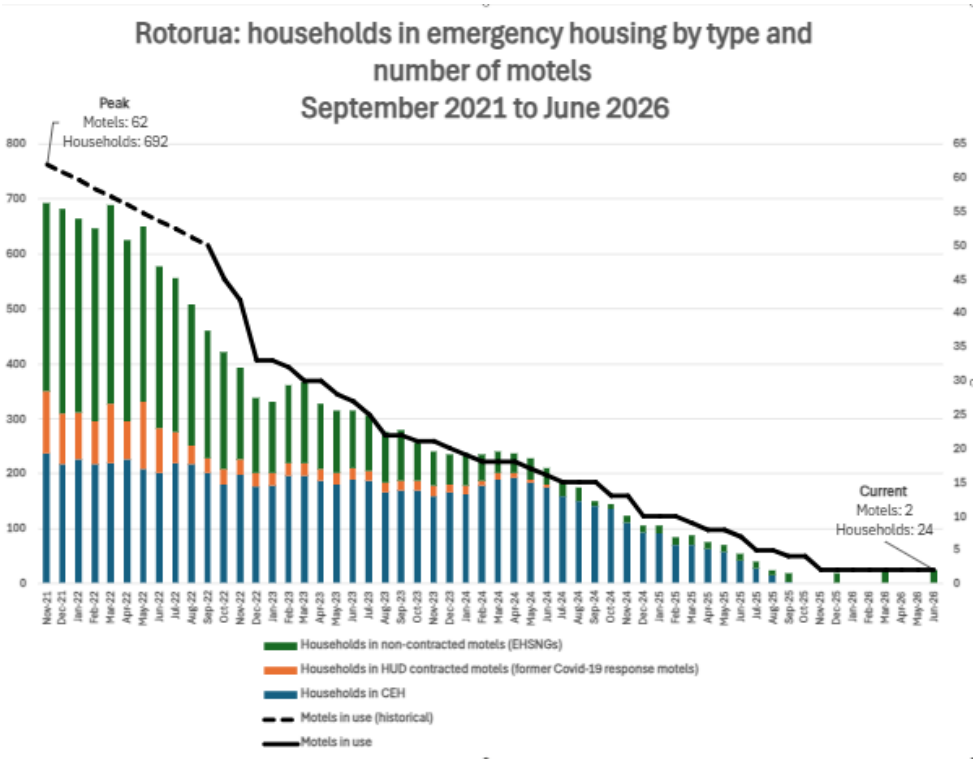
5 950 housing places delivered consists of Social Housing, Transitional Housing, Affordable rentals, Progressive Homeownership homes.

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approach. This involved MCERT participating and contributing to the Rotorua Housing plan through the Rotorua Housing Plan Advisory Group.

6.3 As of September 2026, there is a pipeline of over 470[6] additional new housing places to be delivered in the coming years.

6.4 The expansion of social housing places contributed significantly to reducing the number of households needing emergency housing – which has decreased from 692 households across 62 motels at its peak in November 2021 to 24 households across 2 motels in June 2026. The remaining two motels are Victoria Court and Gibson Court. RLC issued Gibson Court with an abatement notice in February 2026 and recently issued a related infringement notice. This enforcement action is based on the RLC conclusion/interpretation that motel-based emergency housing is a residential activity.



7 Emergency Housing System improvements

7.1 The EHG policy introduced in 2016 is administered by MSD. The purpose of the grant is to help those with an urgent housing need with the actual

6 470 pipeline consists of Social Housing, Transitional Housing, Affordable rentals, Progressive Homeownership homes and market homes enabled through HUD's Land for Housing programme.

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and reasonable costs of short-term commercial accommodation (usually a motel) where the housing need cannot be met in another way.

7.2 The EHG represents financial assistance paid to eligible people or households, not a contractual arrangement between MSD and a short-term commercial accommodation provider.

7.3 When the EHG was established, MSD anticipated fewer than 2,000 EHG recipients annually. Demand grew significantly, as high housing costs and the shortage of affordable supply impacted low-income households. Combined with the impact of COVID-19, demand for emergency housing reached a high in November 2021 when over 6000 households nationally received an EHG.

7.4 A number of emergency housing system changes have been made in response to the higher-than-expected demand in EHGs. These include:

(a) Introduction of Intensive Case Managers and Navigators to support people receiving EHGs.

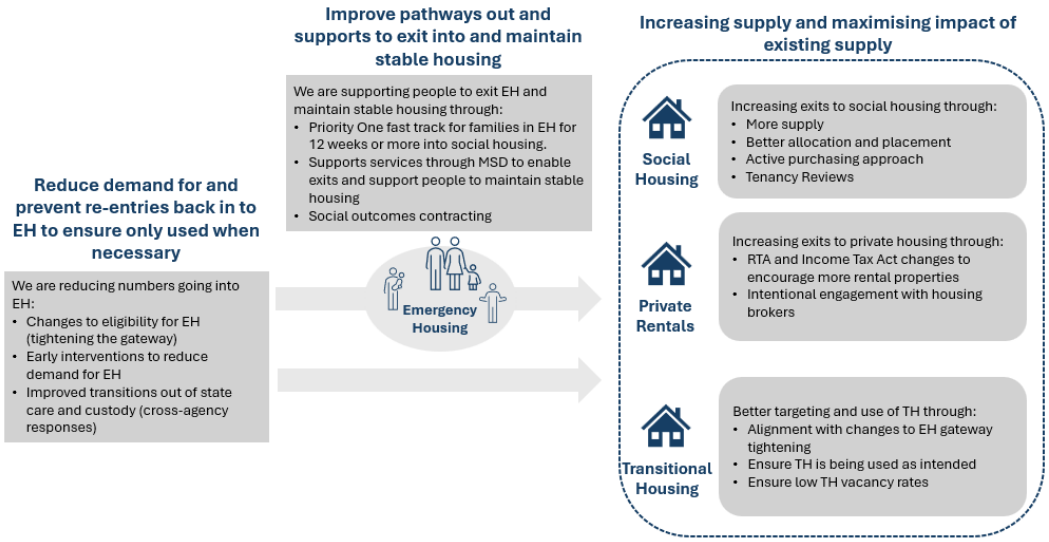
(b) Introduction of Housing Brokers and Ready to Rent programmes to assist people receiving an EHG to obtain a private tenancy.

(c) Launch of a Flexible Funding package for families and whānau with children receiving an EHG, to support the wellbeing and education needs of children.

(d) Introduction of a requirement that people receiving an EHG pay 25 percent of their income towards accommodation costs after the first seven days.

7.5 In April 2024, the Government introduced Target 8 - Fewer people in emergency housing. The target is about ensuring far fewer families and children in emergency housing with a specific target of a 75 percent reduction of households in emergency housing. There are three focus areas and related actions to support the achievement of this target as shown below:

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7.6 Target 8 – Fewer people in Emergency Housing was achieved in December 2024 after data confirmed that the number of households in emergency housing motels dropped to 591 down from 3,141 in December 2023. This achievement and the continued maintenance of Target 8 is attributed to changes made to the emergency housing system and the Target 8 three focus areas and related actions which continue to be in effect.

8 Current operation of emergency housing in visitor accommodation in Rotorua is temporary and contained

8.1 The housing situation in Rotorua has made great gains over several years. This has been achieved through partnerships between local and central government, iwi, and other community agencies. Also, through changes to the emergency housing system which have transformed the operation of emergency housing, enabling EHGs return to their intended function of providing short-term stays to meet urgent housing need.

8.2 EHGs are temporary and issued in Rotorua for up to 7 days after which point a household's circumstances and housing needs are reviewed to determine if a further EHG is required. If determined needed, a further EHG maybe made for no more than an additional 7 days at a time.

8.3 The number of households in motels in Rotorua receiving an EHG per quarter in this calendar year (2026) has remained at 24 or below. This is despite 229 unique households accessing EHG so far this year. This illustrates the temporary and flow through nature of EHG recipients through the emergency housing system.

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8.4 Based on data provided by MSD, it is clear households in receipt of EHGs are not living permanently in motels. It is my understanding that EHGs recipients' average length of stay over the last three calendar years is decreasing and demonstrates the temporary short-term nature of EHGs:

Calendar year	EHG Recipients Average Length of Stay
2026 – to August 2026	3.9 weeks (about 28 days)
2025	4.9 weeks (about 35 days)
2024	14.8 weeks (about 104 days)

8.5 Based on MSD data, most EHG recipients in Rotorua are exiting into private rental accommodation. Unlike most households who previously stayed in CEH, EHG recipients are not solely reliant on social housing to secure a housing outcome. This broader range of exit pathways has contributed to shorter lengths of stay in emergency housing.

8.6 Since October 2024, two motels have been utilised to accommodate EHG recipients in Rotorua. The selection of these motels reflects the outcome of a consultation with RLC under the former Rotorua Housing Accord. At that time RLC had prioritised removing motels that accommodated EHG recipients from Fenton Street to reduce the perceived impact on tourism providers in the Rotorua CBD. For this reason, MSD used these two motels as they are located outside of that critical commercial zone.

8.7 It is my understanding that MSD has not received any complaints from the public regarding the operation of these two motels since August 2024.

9 Motels used to accommodate EHG recipients operate the same as visitor accommodation

9.1 One of the motels used for temporary accommodation of EHG recipients, Gibson Court, has explained to MCERT its operational practice. Based on information provided by the owner and operator of Gibson Court, the motel is operating as a conventional motel providing commercial accommodation. Accommodation is provided on a booking-by-booking basis, with each guest considered individually. The operator is under no

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contractual obligation to accept EHG guests. He can also accept other members of the public should units be available, but he does not do so because of an informal agreement with MSD (based on consultation with RLC) that this motel will be used primarily for EHG recipients.

9.2 There is no written or verbal contract between Gibson Court and MSD. The motel continues to operate in the same manner as any other visitor accommodation business. Guests are accommodated in the same units, pay the same market nightly rate, and receive the same services as any other occupants of visitor accommodation including daily linen, towel changes, cleaning, and the provision of tea, coffee, sugar, milk, and other basic amenities.

9.3 Guests arrive and check in using the same processes as other motel users. The operator does not consider the length of their stays to be excessive. The operator advises that no physical changes, operational changes, or additional management measures were introduced to accommodate EHG recipients. No security guards required, and the operator has received no complaints from neighbours, or members of the public, regarding the operation of the motel over the past two years.

9.4 In summary, the operator indicates that the use of Gibson Court by households receiving EHGs has not altered the physical operation, management, services, pricing structure, or accommodation function of the motel. The activity continues to operate as commercial visitor accommodation, with the principal distinction being the source of payment for some guests rather than the way accommodation is provided.

9.5 While the past housing situation I have outlined is specific to Rotorua, the operation of emergency housing and the use of EHGs is not. EHGs are used and available to households across New Zealand who present with an urgent housing need and have nowhere else to go. Across New Zealand commercial accommodation, predominately motels are used to provide temporary accommodation. However, as far as I am aware, RLC is the only council who has actively taken steps under the RMA through both compliance action and a proposed plan change to make the operation of emergency housing more difficult.

9.6 RLC’s proposed changes through Plan Change 10 will require housing providers to go through lengthy and costly resource consent processes,

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inhibiting the Government's ability to provide housing support to vulnerable cohorts quickly.

9.7 If households are unable to use their EHGs to access accommodation, households will be left in precarious circumstances, needing to find interim arrangements (such as overcrowding into existing homes) or becoming homeless.

9.8 There will always be a need for emergency housing in Rotorua and across New Zealand, as households can experience changes in circumstances at any time, such as job loss, family violence, or relationship breakdown. The EHG system enables the Government to respond effectively and efficiently to temporary and urgent housing need, while helping to reduce the wider social and individual impacts of homelessness.

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