
MEMORANDUM

TO: TRMP Plan Change 81 – Urban Growth

FROM: Mary Honey

DATE: 31 March 2026

RE: Commercial Centre Hierarchy introduced into Tasman Resource Management Plan through Plan Change 81- Urban Development

1. Purpose of this Document

This document provides supporting evidence for the introduction of a commercial centre hierarchy into the Tasman Resource Management Plan (TRMP) through Plan Change 81 (PC81 – Urban Development). It sets out the policy context, evidential basis, and methodology used to establish the hierarchy.

The document is intended to:

- Support the policy rationale for a commercial centre hierarchy under PC81;
- Demonstrate alignment with national direction, including the National Planning Standards and the National Policy Statement on Urban Development (NPS-UD);
- Provide transparency around the sources, assumptions, and evaluative considerations used in developing the hierarchy; and
- Assist decision-makers, submitters, and the Hearing Panel to understand how the hierarchy has been derived and how it should be interpreted.

2. Policy and Strategic Context

2.1 Tasman Resource Management Plan – Identified Policy Gap

The need for a commercial centre hierarchy arises from a recognised gap in the operative TRMP. The section 35 Effectiveness and Efficiency Evaluation of the TRMP – Urban Environment Effects (September 2020) identified that, while the TRMP includes objectives and issues that support a centre-based approach to commercial activities, that approach is not consistently implemented through policies or rules.

In particular, the evaluation noted that:

- TRMP Issue 6.6.1.1 and Objective 6.6.2.1 provide the basis for a commercial centre-focused approach;
- This intent is not carried through into the supporting policy framework;
- The absence of a hierarchy has contributed to a policy vacuum for subsidiary and peripheral commercial centres; and
- This has increased the risk of inappropriate commercial development outcomes, including effects on established town centres and inefficient infrastructure provision.

The evaluation cited private plan changes (PPCRs 49 and 62) as examples where commercial centres, including supermarkets, have been enabled on the periphery of Richmond within residentially zoned land, without a clear strategic framework to manage cumulative and distributional effects.

2.2 Regional Context and the Role of Nelson

The section 35 evaluation also highlighted the importance of recognising the role of Nelson City as a regional centre, particularly in relation to higher-order retail, commercial services, health services, and tourism. This regional context is important in determining the appropriate scale, role, and function of commercial centres within Tasman District.

The NPS-UD identifies Nelson, Richmond, Brightwater, Wakefield, and Mapua collectively as a Tier 2 urban area, reinforcing the need for an integrated and regionally aware approach to urban and commercial planning.

2.3 Tasman Environment Plan – Urban Environment Issues and Options Work

Following the section 35 evaluation, the Tasman Environment Plan (TEP) Urban Environment – District Wide Issues and Options Report (March 2022) further examined the need for a commercial (business) centre hierarchy. This work:

- Explored a range of issues and options for managing commercial activities across the district;
- Included tabulated options assessing different hierarchy approaches; and
- Was subject to Council workshops, after which Council recorded support for adopting a commercial centre hierarchy that:
 - Accounts for the role of Nelson within the wider region; and
 - Gives effect to the National Planning Standards urban centre hierarchy framework.

That work provided an important basis to the approach now being implemented through PC81.

3. Relationship with Plan Change 81

PC81 involves the rezoning of a significant amount of land for urban purposes across multiple locations within the district. Introducing a commercial centre hierarchy as part of PC81 is considered both timely and necessary to:

- Ensure new urban areas are supported by an appropriate and coherent commercial structure;
- Avoid ad hoc or peripheral commercial development that undermines the role and function of existing centres;
- Support compact, vibrant, and efficient urban form; and
- Improve the coordination of infrastructure planning, investment, and staging.

The hierarchy is intended to guide the distribution and scale of commercial activities, rather than to prescribe development outcomes for individual sites.

4. Methodology for Developing the Commercial Centre Hierarchy

4.1 Overview of Methodological Approach

The commercial centre hierarchy has been developed using a criteria-based, evidence-led methodology that draws on existing technical assessments, Council-endorsed strategic work, and national direction. The approach is intended to guide policy and zoning outcomes, rather than to function as a site-specific economic or retail impact assessment.

The methodology integrates four key evidence streams:

1. Identification of a policy gap and need for change through the TRMP section 35 evaluation;
2. A Council-endorsed strategic direction to adopt a business/centre hierarchy through the TEP Issues and Options process;

3. A detailed, criteria-based assessment of the role, function, and performance of centres through the Tasman District Town Centre Audit; and
4. Alignment of the resulting hierarchy with the National Planning Standards urban centre typologies.

Together, these elements provide a transparent and traceable basis for the hierarchy expressed in Table 16.6A of the Proposed Plan Change 81 provisions.

4.2 Policy Gap Identification – TRMP Section 35 Evaluation

The Effectiveness and Efficiency Evaluation of the TRMP – Chapter 6: Urban Environment Effects (September 2020) provides the starting point for the methodology. That evaluation concluded that:

- While the TRMP contains objectives and issues that support a centre-based approach to commercial activities, this intent is not carried through into policies or rules;
- The absence of a commercial centre hierarchy has created a policy vacuum for subsidiary and peripheral commercial centres;
- This gap has contributed to outcomes that compromise planned urban growth and centre vitality, including the establishment of peripheral commercial centres through private plan changes; and
- A commercial (or town) centre hierarchy that accounts for the role of Nelson City would assist in reducing the risk of inappropriate commercial development and improving infrastructure coordination.

The section 35 evaluation explicitly recommended introducing such a hierarchy as part of future plan review and change processes. PC81 provides the mechanism through which that recommendation is implemented.

4.3 Strategic Direction – TEP Urban Environment Issues and Options

The TEP Urban Environment – District Wide Issues and Options Report (March 2022) translated the section 35 findings into a structured issues-and-options framework that was workshopped with Councillors.

Issue 2 in that report was framed as:

“No consideration of the role of urban and rural business centres in the district or within the larger towns in the district.”

The evaluation identified and assessed several options. Option 3 – Business Centre Hierarchy was recommended and supported through Council workshops. That option comprised two related components:

- Inter-centre hierarchy: consideration of the role and function of business centres within the wider Tasman–Nelson region, and development of a hierarchy aligned with National Planning Standards centre zones; and
- Intra-centre hierarchy: development of central and neighbourhood business centre hierarchies within larger urban areas such as Richmond, Motueka, and Takaka.

Appendices 5(a) and 5(b) to the Issues and Options Report (and also appended below) set out the criteria for qualification as a centre, the type of centre, and a proposed hierarchy. The hierarchy expressed in Table 16.6A gives effect to this recommended and Council-endorsed strategic pathway.

4.4 Tasman District Town Centre Audit – Criteria-Based Assessment

The Tasman District Town Centre Audit (2019–2020) provides the principal technical evidence underpinning the hierarchy. The audit undertook a systematic “health check” of centres across the district using a consistent qualitative assessment framework.

The assessment considered, among other matters:

- Centre size and physical structure;
- Diversity and mix of activities (convenience, comparison, services, offices, leisure);
- Retailer representation, including the presence of anchor tenants and national multiples;
- Catchment role and function;
- Indicators of vitality and viability, including vacancy rates, pedestrian activity, and investment; and
- The extent to which centres perform a local, town-wide, district, or regional role.

Based on these criteria, the audit deduced a hierarchy of centres reflecting their relative role and function within the district. Richmond was identified as the primary retail and commercial centre in Tasman, performing a regional role; Motueka and Takaka as town centres serving wide catchments; and other centres as local or neighbourhood centres with a strong convenience or service focus.

The audit then explicitly tested this hierarchy against the National Planning Standards centre typologies (metropolitan, town, local, neighbourhood), providing a clear bridge between local evidence and national framework terminology.

4.5 Alignment with National Planning Standards and Regional Context

The hierarchy expressed in Table 16.6A aligns the outcomes of the Town Centre Audit and the TEP Issues and Options work with the National Planning Standards urban centre hierarchy, ensuring consistent terminology and structure within the TRMP.

Recognition of Nelson City as the regional centre reflects:

- Nelson’s population size and employment base;
- Its role in providing higher-order retail, health, education, and tourism functions; and
- The functional integration of Nelson and Tasman centres as a Tier 2 urban environment under the NPS-UD.

Recognising Nelson’s regional role ensures that the Tasman commercial centre hierarchy supports complementary, rather than competing, centre functions across the wider urban system.

4.6 Nature and Limitations of the Methodology

The methodology is intentionally strategic rather than predictive. It relies on existing, Council-commissioned evidence and endorsed strategic work rather than new economic modelling or retail demand forecasting.

Key assumptions include:

- That the relative roles and functions of centres identified in the 2019–2022 evidence base remain broadly valid; and
- That the hierarchy will be implemented through policy and zoning provisions that retain discretion at the resource consent stage.

These limitations are considered appropriate given the hierarchy’s role as a policy framework, not a development cap or prescriptive control.

5. Interpretation and Use of the Hierarchy

The commercial centre hierarchy, as expressed in Table 16.6A, is intended to be used as:

- A strategic framework to inform plan policies and rules;
- A reference point for assessing the appropriateness of new or expanded commercial activities; and
- A tool to manage cumulative effects and distributional impacts on centres.

It is not intended to:

- Predetermine the outcome of individual resource consent applications; or
- Prevent all commercial activity outside defined centres where otherwise anticipated by the plan.

6. Limitations and Assumptions

This methodology relies on:

- Existing technical and strategic work undertaken between 2020 and 2022;
- The assumption that the relative roles of centres have not fundamentally changed since that time; and
- Qualitative and policy-based judgment, rather than detailed economic modelling.

7. Conclusion

The commercial centre hierarchy introduced through PC81, and expressed in Table 16.6A, is grounded in a clear policy need, supported by multiple strands of prior evidence, and aligned with national direction. While not based on a single quantitative model, the methodology is transparent, traceable, and proportionate to the strategic role the hierarchy is intended to play within the TRMP.

This document provides the supporting evidence to demonstrate that the hierarchy represents a logical and justified evolution of Tasman's commercial planning framework.

Appendix 5(a): Criteria for qualification as a centre, type of business centre and zoning

1. Qualification as a centre – criteria

- (i) Scale - Minimum resident population of about 100 people
- (ii) Diversity of uses
- (iii) Number of retail units
- (iv) Urban zonings that are not only Residential or Rural Residential with more than one site zoned for business purposes (Commercial, TRMP current-Tourist Services, Special Purpose).

2. Type of Centre – criteria

In addition to the above:

- (v) Role centre is performing
- (vi) Average time of visits to centre:
 - Town: 1-3 hours (Richmond 1-2 hrs)
 - Local convenience centre: - Short visit 30 mins or less, (Upper Moutere – 10 min, Tapawera 10 to 30 mins, Pohara 5-15 mins)
 - Local tourist centre: - Longer visit, about 2 hours plus – (Kaiteiteri – 2 hrs, St Arnaud - 2hrs).^{xii}

3. Adapting the current TRMP business zones into the NPS zone framework

- (i) Consider the role /function of business centres within the Tasman Nelson region and develop a business centre hierarchy in line with National Planning Standard zones, (inter centre hierarchy).

And
- (ii) For larger urban centres (Richmond, Motueka, and possibly Takaka) develop a hierarchy of central and suburban / neighbourhood business centres, in line with the National Planning Standard zones, that supports the structure and function of the towns and retains town centre vibrancy (intra centre hierarchy). More specifically: replace the current TRMP Central Business District zone in Richmond with the NPS Metropolitan Centre zone and Motueka and Takaka with NPS - Town Centre zone, and introduce neighbourhood centre zone for suburban centres in these three main urban centres.
- (iii) Combine the current TRMP Light and Heavy Industrial to be General Industrial zone – in line with NPS.
- (iv) Current TRMP Mixed Business zone to become a Light Industrial zone. The TRMP Mixed business zone is designed to accommodate a mix of businesses with clean emissions (e.g. commercial, trade related supply, light industry large format retail) and act as a buffer zone between, at the time, a new residential area and the established rural and light industrial zones.
- (v) Current TRMP Rural Industrial zone to become a precinct. within Rural Production and General Rural zones. However, in some centres (e.g. Brightwater) some Rural Industrial zoned sites are directly adjacent to other urban zonings and form part of that urban centre. Whether that zoning should be changed to General Industrial zone will be considered in the Zoning framework paper and/ or *Centres issues and options papers*.

Town / Centre	Central Business zone	Commercial zone	Tourist Services zone	Mixed Bus zone	Indust. zone (Light & Heavy)	Mixed use zone	Metro centre zone	Town Centre zone	Neighbourhood Centre zone	Local Centre zone	Commercial zone	Gen. Indust. (& Light & Heavy)	Settlement zone	(i) Audit Report 2020 proposal	(ii) Audit Report 2020 proposed adaption to fit NPS zones	(iii) Recommended zone & centre hierarchy
Motueka / <u>Riwaka</u>	✓ (Mot)	✓ (Mot)	✓ (<u>Riwaka</u>)	✓	✓ (L & R)			✓ (Mot)	✓ (<u>Riwaka</u>)		✓	✓ (Rural?)		Town centre (large)	Town centre (larger)	1. Town centre (Mot) 2. Neighbourhood centre - <u>Riwaka</u>
<u>Tapawera</u>		✓			✓ (L)					✓	✓	✓	✓	Local convenience centre	Neighbourhood centre	(Rural) Local centre (convenience)
St Arnaud / Top House		✓								✓	✓		✓	Local convenience centre	Neighbourhood centre	(Rural) Local centre with tourist precinct (convenience)
Lake <u>Rotorua</u>			✓							✓	✓			-	-	Rural) Local centre with tourist precinct (convenience)
Murchison		✓			✓ (L & H)					✓	✓	✓	✓	Local service centre	Local centre	(Rural) Local centre (service)
Kaiteriteri		✓	✓							✓	✓		✓	Tourist centre	Neighbourhood centre	(Coastal) Local centre with tourist precinct
<u>Marahau</u>			✓							✓	✓		✓	-	-	(Coastal) Local centre with tourist precinct
Awaroa														-	-	-
Torrent Bay														-	-	-
Takaka	✓	✓			✓ (L)			✓	✓		✓	✓		Town centre	Town centre (smaller)	Town centre (small) with Neighbourhood centre : 1. Park Avenue
TEGB		✓ (Pohara)								✓			✓	Tourist centre (Pohara)	Neighbourhood Centre	(Coastal) Local centre with tourist precinct
Collingwood		✓			✓ (L)					✓	✓	✓	✓	Local service centre	Local centre	(Coastal) Local centre (convenience)

