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MEDIA RELEASE

Urban planning - moving beyond the wheel spin

Productivity Commission report on better urban planning now available.

The Commission released its final [Better urban planning report](#) today. The inquiry examined the current urban planning system in New Zealand and points the way to a future, better-performing system.

“The Government asked the Commission to take a blue-skies approach to what a future urban planning system could look like. Well-functioning successful cities matter a great deal to the wellbeing of New Zealanders. This is about easing the stresses of growth – such as escalating housing costs and inadequate infrastructure” says Commission Chair, Murray Sherwin.

The Commission’s report describes the challenges of the current system and where key changes will make the most difference. Mr Sherwin says the Commission has looked at ways to make a complex and often unclear system more coherent and purposeful.

“There is no simple fix – it’s not just a case of changing legislation. Effective urban planning is about the right mix of legislation, institutions, funding mechanisms, people with the right skills and strong relationships.”

The Commission makes 64 recommendations, including having one law that supports and governs both the built and natural environments. This law should replace the RMA which, while ground-breaking for its time, has become a point of weakness in the planning system.

“Urban planning helps to maximise the benefits of cities, by providing essential infrastructure services and community facilities and by managing conflicting interests of residents. Yet, too often, the connection between planning rules and the wellbeing of communities is weak or difficult to justify, the supply of infrastructure and zoned land fails to keep pace with demand in our fast growing cities, and the natural environment is degraded.”

The Commission has identified ways to make the planning system more responsive so that urban land can shift to different uses over time, there is enough land and infrastructure to meet demand and residents can move easily through cities. The Commission’s report recommends a substantial clarification in statutory objectives, a stronger role for spatial planning; timely, fairer and comprehensive review of plans by independent hearings panels; more tools for councils to fund infrastructure; and better stewardship of the planning system.

“Planning is inherently contested territory and difficult trade-offs sometimes have to be made. Our current planning system tends to be adversarial and reactive to the views of well-resourced and mobilised groups rather than the majority. Councils need more tools and greater flexibility to gather views from a range of community interests and use the results for different planning purposes.”

“A future system requires a more restrained approach to land-use regulation. Councils need to allow people greater scope to decide how to best use their land, subject to clearly articulated requirements for protecting the natural environment and Māori Treaty interests in the environment. The Commission has recommended the appointment of Independent Hearings Panels to check that plans meet legislative requirements, to hear from residents and stakeholders and to resolve remaining conflicts of views about plans. The Environment Court would continue to have a role in hearing appeals on points of law.”

“What we need is a responsive system that aims to deal with the growth in demand for urban capacity, and with competing citizen interests and values. The Commission’s report suggests how to achieve this.” says Mr Sherwin.

Recommendations

The Commission recommends a future planning system should:

Regulatory framework

- make a distinction, within a single statute, between the built and natural environments with clear objectives and principles for each (Chapter 13);
- set statutory principles for efficient and proportionate plans and land-use decisions (Chapter 13);
- provide clearer protective limits for the natural environment within which development can occur, and a more flexible and adaptive approach to addressing the cumulative effects of development (Chapter 9);
- set stronger expectations for the active protection of Māori Treaty interests in the built and natural environments, through a National Policy Statement (Chapter 7);
- make clear provision for development in urban areas, subject to clearly articulated limits (Chapters 8 and 9)

Land-use and resource-management planning and review

- include more responsive rezoning through the use of predetermined price triggers to signal when land markets are out of balance and rezoning is needed (Chapter 8);
- make spatial plans (in the form of Regional Spatial Strategies) a mandatory component of the planning hierarchy (Chapter 10);
- provide for Independent Hearings Panels (when required) to review new plans, and substantial plan changes (Chapter 8);
- require local authorities to develop together, as a package, the Regional Spatial Strategy, a Regional Policy statement for the Natural Environment, and District Plans, for review by an Independent Hearings Panel (Chapter 13);
- give local authorities more flexible consultation and engagement tools to gauge the views of stakeholders and the public in developing plans (Chapters 8 and 13)

Infrastructure

- make the Regional Spatial Strategy the platform for long-range infrastructure planning and for specific infrastructure investment plans (Chapter 10);
- provide councils in high-growth cities with better funding and financing tools (eg, value capture) and more sophisticated procurement tools (Chapter 11);

Alternative development models

- provide for alternative development models through competitive urban land markets and through urban development authorities

Stewardship of the planning system

- have stronger central government stewardship of the planning system, with better use of national instruments (Chapter 13); and
- provide for Māori participation in system stewardship through a National Māori Advisory Board (Chapter 13).

About the inquiry

The Terms of Reference asked the Commission to identify the most appropriate system for allocating land use in cities. This includes the processes that are currently undertaken through the Resource Management Act, the Local Government Act and the Land Transport Management Act. It also includes elements of the Building Act, Reserves Act and Conservation Act that affect the ability to use land in urban areas. The inquiry looked beyond the existing planning system to provide a framework for assessing future planning reforms. The Commission has previously considered urban planning issues in its inquiries into housing affordability (2012), local government regulatory performance (2013), regulatory institutions and practices (2014) and using land for housing (2015).

About the New Zealand Productivity Commission

The Commission – an independent Crown entity – was established in April 2011 and completes in-depth inquiry reports on topics selected by the Government, carries out productivity-related research, and promotes understanding of productivity issues.

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