

Better Urban Planning

Productivity Commission draft report

30 August 2016

BE THE HOW.
WHAKAMAUA KIA TINA!



The Inquiry

Background

- **Context**
 - Blue skies review of urban planning framework
 - Previous inquiries
 - Government response to Using Land for Housing inquiry
 - Parallel urban planning reform underway
- **The Commission's starting point**
 - Purpose of planning
 - Priorities for urban planning
 - Planning should not be used to address “wider” issues if other policy tools available

Overview

Outcomes of future urban planning system

- Presumption in favour of development (subject to clear limits)
- Clearer priorities and more robust tools for natural environment
- Rezoning and regulatory change that adapts more rapidly
- Greater focus on those directly affected by change
- More representative, less rigid consultation
- Funding tools to support more responsive infrastructure provision
- Spatial plans as core part of the system
- Continued recognition and protection of Māori interests

Proposed approach to the draft report

Our submission

- Focus on recommendations
(implications for future legislative and policy workstreams)
- Align response with principles in our previous submission:
 - Urban planning as a system
 - Planning for future funding challenges
 - Informed decision making and public engagement
- Other matters Commission should consider

Key issues

Urban planning as a system:

- Two approaches to urban land use legislation
- Government intervention

Informed decision making and engagement:

- Public participation
- Building capability

Planning for future funding challenges:

- Funding
- Other tools we think further assessment required
- Gaps in draft report

Two approaches to urban land use legislation

Q13.1 Legislative framework

- Single resource management law or separate built and natural environment law
- Start from a goal of clearer distinction between natural and built environment
 - Benefits of urban growth not realised
 - Environmental outcomes not achieved
 - RMA seen as constraint on development
 - Need presumption in favour of development in urban areas

Considerations:

- Is the clearer distinction the right “goal”? Does it solve the problems above?
- No clear boundary between built and natural environment
- Shaping and constraining effects
- Purpose and concepts within built environment? Natural environment?
- Treatment may differ even within two types of environment: scale, context

Central government role

R8.1 GPS environment sustainability

- Defining sustainable management, setting priorities for trade-offs and set monitoring framework.

Proposed response: Partial support

- Support greater guidance – standardised methodologies, reporting process
- Could enable more integrated guidance – addressing any inconsistencies
- Could assist decision-making and trade-offs

Further clarity required:

- Central government capability issues: impact on framework development?
- How do we take local context into account? One-size fits all response may not be appropriate
- Impact of environmental lag times in context of “bottom lines”?
- Would GPS build on body of NPS’s?

Central government role

R8.1 GPS environment sustainability

Further clarity required:

- What would new framing of “environmental sustainability” look like?
- How address cumulative/network impacts?
- Responsiveness to emerging issues given five year review?

Central government role

R7.10 Override powers

- Local plans
- Co-ordinate or require common land use approaches to specific issues
- Direct CCO/infrastructure providers to increase supply where price differential exceeds pre-set threshold

Proposed response: Do not support

- Accountability issues: undermines local decision making
- Less certainty – infrastructure planning, infrastructure lag times
- Funding implications and priorities
- Pricing trigger
- Overlap with NPS Urban Development Capacity
- Parameters for exercise of discretion unclear

Central government role

R7.7 IHP permanent role

- New Plans, plan variations and private plan changes across NZ.
- Councils retain decision-rights, if IHP recommendation accepted appeal rights limited to points of law.

Proposed response: Support in part

- Not justifiable for all of the above: scope, scale and cost.
- Caveat: Process evaluation: final evaluation not completed yet, interim only.
- Caveat: Quality of outcomes unknown: monitoring required to understand.
- Should IHP proceed, suggest:
 - Appointment of members by council (local understanding required)
 - Adequate time-frames, particularly for submissions and decision-making
 - Incorporate learnings from both process and outcomes evaluation
 - Further work to incorporate IHP (and Christchurch) learnings

Central government role

Q13.2 EPA or increased council oversight

- Goal = effective monitoring and enforcement of environmental regulation.
Option 1: More regulatory responsibilities to national organisation i.e. EPA
Option 2: More external audit and oversight of council performance

Proposed response:

- First option indicates significant change to structure and role of local government.
- Second options indicates greater intervention where performance lacking.
- Many proposals in report seek to address local and central government capability
 - Data sharing
 - Agreeing evidence base and investment programmes
- Some are already underway
- So, is this proposal necessary?

Public participation

R 7.4, 7.5 and 7.6 Consultation, notification and appeals

- Flexibility to choose engagement tools
- Encourage use of tools to ensure full spectrum of interests is understood in council decision-making and enable the public to understand trade-offs involved in decisions
- Within that context, notification and appeals narrowed to directly affected parties.

Previous positions:

- Support reduced participation/appeal opportunities subject to sufficient early consultation in plan-making
- Support narrowing notification criteria for restricted discretionary activity resource consents. Rejected by IHP.
- Evaluation of HASHA necessary prior to identifying further streamlining opportunities

Building capability

R 9.2 Centre of Excellence resource

- Resource for 'real options' analysis for land use plan

R12.1 Emphasis on sound policy analysis

- Economic and environmental science skillsets specified

R12.2 Central government capability building

- Improved understanding of local government

Proposed response: Support

- Advantages:
 - Shared basis for understanding
 - Develop robust evidence base
 - Learning opportunities: "best practice"

Funding Tools

R 10.1 User pays

- Pricing for water and existing roads

R10.2 Targeted rates

- To fund infrastructure investments where benefits well defined

R10.3 Levy targeted rates on basis of changes in land value

- Resulting from installation of new infrastructure and up-zoning

Proposed response: Support widening funding toolkit

- Implementation challenges:
 - Identifying attributable uplift
 - Managing reactionary zone changes and impact on targeted rates
 - Removing existing legislative barriers

Other tools

R7.3 Responsive rezoning

- Pre-set trigger changes land use controls.
- Impact on infrastructure priorities, project investment?

R 9.3 Collaboration - major infrastructure with wider “spillovers”

- Shared process to assess infrastructure investment programmes.
- Identify key learnings from ATAP and similar before expanding more widely?

Q8.3 Greater emphasis on adaptive management

- Not always fit for purpose
- Ability to adapt to new information on changing pressures useful
- Both tools useful: predict and control model and adaptive management?

Other tools

R9.1 Spatial plans narrowed and mandatory

- Water and transport infrastructure, community facilities, protection of high value ecological sites, natural hazard management
- Support more weight for spatial plans
- Previous position: do not support narrowing, supported s79 LGA framework (development strategy within context of four well-beings)

Q10.4 Benefit in allowing councils to auction transferable development rights

- Transferable development rights enabled in Unitary Plan.
- Suggest evaluate their use before expanding more widely?

Gaps in the draft report

- No recommendations on Māori consultation or engagement
- No focus on Māori engagement at central government level
- Designations, route protection and land acquisition processes
 - No response to address complexity of process and timeframes
- Limited applicability of public works definitions
 - Excludes urban renewal uses
- No recognition of wider legislative framework i.e. Review of Building Act required
- No recommendations to address misalignments across RMA, LGA and LTMA and other legislation
- Urban development agencies and powers
- Limitations within transport funding model
 - Mode specific funding envelopes at central government level