



New Zealand
Planning Institute[®]
Te Kokiringa Taumata

Policy Directions: Productivity Commission's *Better Urban Planning* Draft Report

Prepared by NZPI Senior Policy Adviser, 23rd September 2016

1. Introduction

The purpose of this brief report is to advise members of NZPI's proposed policy approach to the preparation of the NZPI submission to the New Zealand Productivity Commission's draft report *Better Urban Planning*. We are also seeking your contribution and feedback.

The Productivity Commission released its *Better Urban Planning* draft report on 18th August. Submissions are due on 3rd October. The main purpose of its inquiry is to "review New Zealand's urban planning system and to identify, from first principles, the most appropriate system for allocating land use to support desirable social, economic, environmental and cultural outcomes". The inquiry is being undertaken in the context of significant central government urban planning reform including: the Better Local Services work programme; Resource Management Act reform; a natural resource sector agencies review of the resource management and planning system; and its implementation of the work programme arising from the commission's previous Using Land for Housing inquiry. The inquiry's final output will be a report to government (to be tabled in Parliament 30th November) identifying alternative models for the urban planning system and a framework against which current practices and potential future reforms in resource management, planning and environmental management in urban areas will be assessed.

Few NZPI members will have had time to absorb and fully digest this major piece of central government policy work but many have examined particular sections in depth, and wish to contribute to the NZPI submission. Rather than respond to each and every Productivity Commission finding and recommendation, NZPI intends to focus its submissions on key policy issues.

The contents of this report include a summary analysis of selected Productivity Commission findings and recommendations, and a critical response to specific advice contained in *Better Urban Planning* Draft Report (BUPDR), under the following general headings:

- the work and culture of urban planners
- the objectives and function of urban planning
- relationship (failure) between local and central government
- definition of urban environment
- support for spatial planning
- reform and implementation strategy (not just ideas)
- urban planning needs regulation to avoid market failings
- urban planning system assessment framework

2. The work and culture of urban planners

The NZ Planning Institute and urban planners see this Productivity Commission urban planning inquiry as an opportunity for reflection, and an opportunity to refocus and redevelop the planning discipline to be able to work more effectively in a world of massive uncertainty and change and in a way that brings people and communities along together. Modern society and increasing urbanisation is becoming increasingly complex, increasingly diverse, with associated risks becoming more uncertain and in cases, unknowable. As a result, planning cannot be expected to produce an ideal end result, or outcome (“we know what’s best”), but needs instead to work as an integrator of knowledge that brings many differing understandings together in order to work within the tensions that commonly exist within planning and resource management decision-making. The BUPDR calls for a “more tightly defined role for urban planners” and asserts that good planning outcomes are more likely “when planning culture emphasises robust evidence”. These assertions suggest that the Productivity Commission does not appreciate the uncertain and changing contexts that are commonly where urban planning work is required today. NZPI considers the capabilities planners should be educated with to be effective in such an environment include the ability to reflect upon and critique the planning discipline itself, possession of a broad education (including economics, determinants/drivers of land value, political science, demographics and so on), and the ability to communicate effectively to various parties and individuals when utilising conflict resolution skills.

3. The objectives and functions of urban planning

No overall objectives for urban planning are suggested in the BUPDR. This has undermined its attempts to deduce an appropriate form of planning to deliver a necessary planning function. The BUPDR does suggest three “well-founded rationales” for urban planning as being: regulation of negative spillovers; decisions about provision of public goods; investment and coordination of infrastructure, but then goes on to assert that the deliverables from an urban planning system in New Zealand should be: openness to change and growth; sufficient development capacity; and transport accessibility. This approach appears reductionist and driven by a presumption that most urban planning outcomes and disciplines should be left to market forces. In a mixed economy like New Zealand a more balanced approach is required as NZPI has submitted previously.

4. Relationship (failure) between local and central government

There is a consistent message throughout the BUPDR of “poor central-local relationships”, and of poor/minimal engagement of central government in urban development planning and local government. While there are recommendations to address that matter, the report lacks specifics and in its cut to the chase summary opines that: “a future planning system should be based on a productive and collegial relationship between central and local government”. NZPI has made a number of detailed suggestions about this issue in submissions to this inquiry, and in submissions to the proposed National Policy Statement on Urban Development Capacity and the Resource Legislation Amendment Bill. The Productivity Commission’s inquiry presents the best opportunity New Zealand has had in decades to build a formal partnership between central and local government – especially at a time when sharp population, immigration and urban growth changes present major coordination and planning issues. NZPI will advocate further on this.

5. Definition of urban environment

The BUPDR adopts a definition of what an urban environment consists of which excludes most social and community infrastructure, despite quoting extensively from international definitions which align urban planning with “place-making” which requires stakeholder collaboration at various levels (including central government). Despite this the report does find that some sort of “hybrid” planning system somewhere between one which is prescriptive and one which is collaborative “may be optimal” – without developing this thinking further. NZPI’s submissions will contribute.

6. Support for Spatial Planning

NZPI strongly supports spatial planning as part of the urban planning toolkit. While the BUPDR finds in favour of spatial planning, its definition of infrastructure is such that nationally provided infrastructure (health and education for example) and its reliance or demand on local infrastructure (eg footpaths or cycleways for kids to get to a school) is largely excluded from the definition of the infrastructure planning that would be part of spatial planning. This puts spatial planning into a local silo reducing the apparent need for the collaboration and partnership NZPI believes is required between central and local government. NZPI’s submission will develop and shape BUPDR thinking on spatial planning for New Zealand.

7. A reform and implementation strategy is required (not just ideas)

Very little attempt is made in the report to examine how the various recommendations would or could work together, nor how they might integrate with NZ’s existing planning framework. NZPI appreciates that the brief for the Productivity Commission’s work was a first principles review of New Zealand’s urban planning system, but that should not be interpreted as an excuse to come up with a set of recommendations without engaging with the mechanics of implementation. NZPI’s submission will build on its own policy research investigation of what needs to change in NZ’s planning system, and highlight those parts of the BUPDR that support and flesh out that structure.

8. Urban planning needs appropriate regulation to avoid market failings

One of the stated objectives of BUPDR is a more “tightly defined role for urban planning”. This is despite the patterns of market failure that are evident today in urban environments (such as housing affordability and cumulative stormwater damage) and which can be anticipated tomorrow (opposition to intensification for example). The quality and utility of urban planning in finding solutions to these problems is itself a public good – something that markets are not capable of valuing correctly – despite the obvious fact that competent urban planning and administration would be a source of competitive advantage for New Zealand. NZPI considers that an urban planning system that encourages informed civic engagement increases the likelihood of competent and responsive urban redevelopment initiatives and in turn yield a more efficient mixed economy.

9. Urban planning system assessment framework

A significant requirement of the *Better Urban Planning* inquiry is the production of a “framework against which current practices and potential future reforms in resource management, planning and

environmental management in urban areas will be assessed". NZPI will focus its submissions on advocating that BUPDR recommendations and findings manifesting the significant issues summarised above, should not shape and determine the assessment framework that is finally recommended by the Productivity Commission to measure and weigh options for improving and reforming New Zealand's urban planning system.

10. Conclusion

NZPI welcomes constructive criticism of and progressive change to our country's planning systems. There is a great deal of valuable research in the BUPDR and NZPI welcomes it. However NZPI considers the potential it has to make a positive difference is weakened by issues that we aim to address in submissions.

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