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Better Urban Planning Inquiry  
New Zealand Productivity Commission  
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## **SUBMISSION ON THE PRODUCTIVITY COMMISSION'S BETTER URBAN PLANNING DRAFT REPORT**

### Background

The Waikato District Council (Council) commends the Commission on producing the Draft Report for public review and appreciates the opportunity to submit on it.

The Government asked the Productivity Commission to inquire into the system of urban planning in New Zealand. The main purpose of the inquiry being "to review New Zealand's urban planning system and to identify from first principles the most appropriate system for allocating land use through this system to support desirable social, economic, environmental and cultural outcomes".

This submission is written on behalf of the Waikato District Council. The council currently consists of a mayor and 13 councillors. The district is made up of a land area of 418,000 hectares and 64,000 people. The district is part of the 'golden triangle' between Auckland, Hamilton and Tauranga.

Council is in a unique position in that in 2010 the Council's boundaries were extended to include part of Franklin District which has presented some interesting challenges regarding growth in Pokeno and Tuakau. This growth has seen the need to advance Structure Planning to accommodate projected needs for future housing development. Council has already transferred two growth cells to Hamilton City Council at Te Rapa and Ruakura and has two more forecasted to be transferred in 2039(200ha) and 2045 (780ha).

### General Feedback

Council supports the identified priority areas for change where there:

- is a clearer distinction between the built and natural environment;
- more responsive infrastructure provision that allows better cost recovery funding mechanisms;

- a more restrained approach to land use regulation where there is a clear net benefit, link to externalities are clear, broader zones allowing more uses;
- greater reliance on pricing and market-based tools rather than rules;
- less subjective use of vague aesthetic rules and policies; and
- allowance for low-risk development to be permitted or subject to minimal controls.

Council acknowledges the need for stronger technical capabilities within councils and central government and would like to see the legislation governing urban planning setting clear limits around what is meant by being more enabled, how to provide for greater capacity to meet demand and the promotion of mobility of people and goods to and through cities.

Should the government introduce more robust environmental management tools such as market-based instruments then it is critical that clear standards are provided to avoid further “predict and control” approaches by planning staff.

Council are unsure how central government is going to set a benchmark that means infrastructure more accurately reflects actual costs, use and impacts given that material costs do vary according to supply and demand, and the exchange rate.

The Schedule 1 process can be costly, slow and litigious, therefore having rezoning and regulatory change that adapts more rapidly to circumstances would be supported as long as there are suitable criteria or thresholds established to help local decision-making. There has always been a difficulty around the interest of third parties in the planning and consenting process and Council understands the logic behind the Independent Hearings Panel decision being final if accepted by the local council.

The Council has followed a more open approach to consultation than prescribed in the Schedule 1 process such as holding 18 open days strategically placed around the whole district and establishing an Iwi Reference Group at the beginning of the District Plan Review.

We have taken a very proactive stance regarding working with our iwi partners having a signed Joint Management Agreement that contains seven schedules which prescribe how iwi are to be involved with planning changes. The Council changed its rules regarding papakaainga and development of economic activities on multiple-owned Maaori land four years ago and this successful model is now being explored by other district councils in the region.

To date the Council has completed four structure planning documents where future development has been spatially and technically planned and then supported by a Schedule 1 process. This principle gives the community some certainty as to the future planning direction the Council is anticipating and that there is security around supply for future demand and that infrastructure can be financed appropriately.

Finally Council is uncertain about the need for having a more centralised planning regime as a ‘one-size-fits-all’ does not allow for local variability in resourcing, community needs and geography.

Monitoring has been a weakness in the current system therefore the Council would support the idea of an audit by the EPA or Ministry for the Environment compared to the other option of having the functions of the EPA expanded. The second option may lead to another large bureaucratic system on top of what already exists.

### **More specific response to the four main goals set by the Commission**

The Commission identified four goals that it considered were important for any future urban planning system to address:

- flexibility and responsiveness – ability to change land uses easily;
- provision of sufficient development capacity to meet demand;
- mobility of residents and goods to and through the city; and
- ability to fit land-use activities within a defined biophysical envelope.

### **Flexibility and responsiveness**

Land use regulation under the RMA has widely resulted in an urban residential environment that is too singularly suited to one form of housing (ie single dwellings accessed off a curvilinear, dendritic road system of cul-de-sac's. It's difficult to see how such areas could easily be repurposed for other forms of residential or more mixed patterns of land use as urban environments redevelop over time.

In addition, concerns about achieving higher residential densities and more compact urban forms led to allowing considerable ad-hoc infill development of older residential areas. The result has often been the creation of a complex web of rear lot single dwelling development accessed off numerous private accessways. These areas will also be difficult to repurpose incrementally because of complex spatial pattern of land ownership and supporting infrastructure and services created.

As the Commission report notes, the underlying fabric of the built environment tends to change little and slowly over time despite waves of repurposing and redevelopment.

Overseas evidence points to the clear benefits of having an underlying regular road and block pattern. A regular road pattern provides the fundamental basis for a flexible urban fabric that is suited to multiple landuses and activities and that is responsive to changes over time. Services are routed along roads and can easily be accessed and upgraded over time. Road reserve dimensioning is factored in as an integral part of the initial spatial layout planning to enable such spaces to be developed to suit different public user requirements over time.

The lack of any spatial dimension in the RMA's approach to development regulation has certainly not helped New Zealand's urban environments achieve good outcomes in this regard and if anything some rather perverse outcomes have resulted from poorly conceived and implemented notions of achieving higher residential densities.

The reactive and piecemeal nature of regulating development under the RMA is also typically wasteful in the expensive and duplicated expert assessments commonly required for adjoining subdivision applications (eg archaeology, heritage, geotechnical, flooding etc). If councils undertook more proactive planning for growth these assessments could be done together at an overall level for areas identified for urban growth before getting to the rezoning stage. Such a planning approach should have economies of scale in cost and time and would identify areas suitable for development beforehand without requiring each individual subdivision applicant having to demonstrate that the land was suitable for development and incurring the uncertainty and risk of additional hurdles, expenses and delays.

### **Provision of sufficient development capacity**

Indirectly related to the RMA's lack of provision of a platform for forward planning, is the encouragement of a largely reactive a-spatial planning response. As the Commission report indicates, there has perhaps been an overemphasis on setting and maintaining urban limits to discourage urban 'sprawl'. The argument has been largely based on a concern about losing valuable productive agricultural land.

A supporting argument has been about the cost burden of additional infrastructure to service new 'greenfield' areas as opposed to having 'brownfield' development of existing urban areas.

The reality is probably having a more flexible approach based on better information and better forward planning and suited to varying local circumstances. Clearly the RMA has not been helpful in providing direction in this regard with its effects based approach.

### **Mobility of residents and goods to and through urban environments**

At an overall level, connectivity and accessibility have been poorly addressed in urban planning and development in New Zealand. The lack of spatial planning and integration of transport planning together with the ad-hoc, reactive approach to urban development elicited under the RMA has not aided the ready movement of residents and goods in major urban cities in New Zealand.

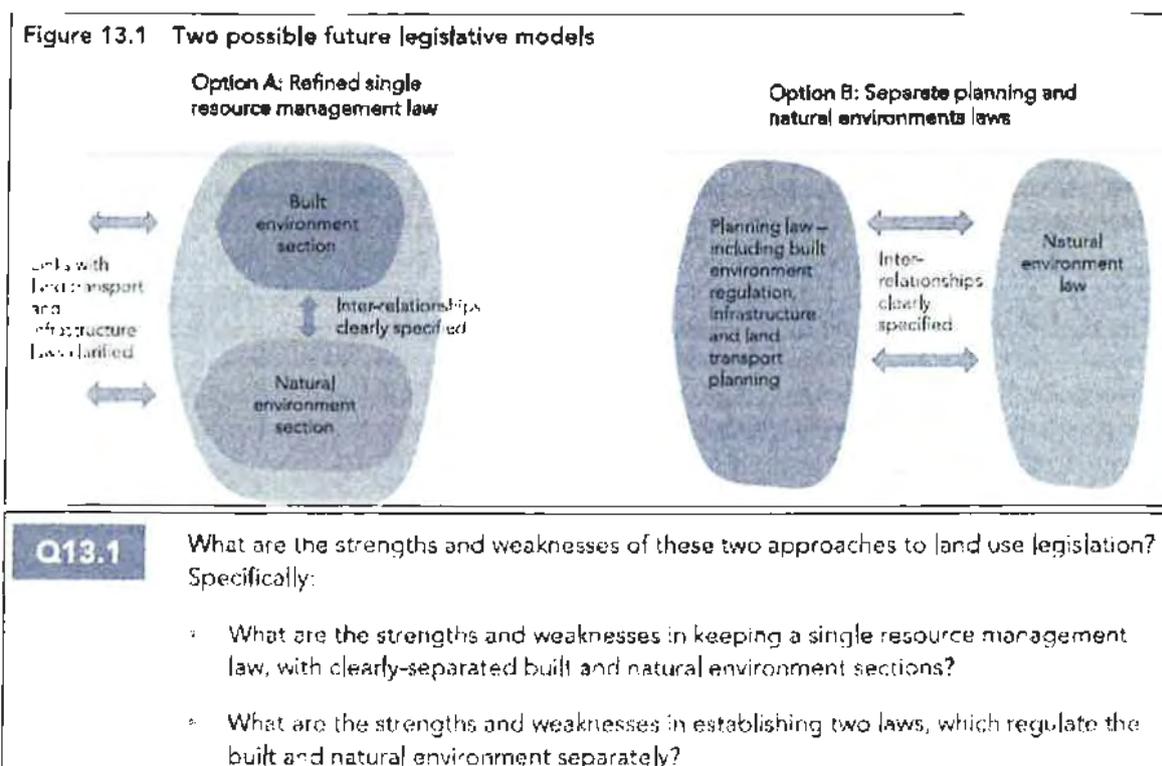
### Ability to fit land use activities within a defined biophysical envelope

It is not clear what exactly is meant by this heading. All urban environments in New Zealand have a defined geographic envelope if considered in terms of the land use zoning provisions in district plans. If this is not what is meant, then physical hazards and constraints such as flooding, slope and soils play an important role in providing natural environment constraints on urban boundaries (eg Wellington).

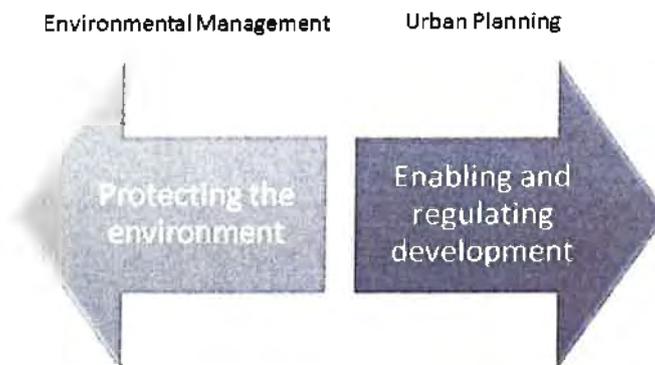
The larger issue under the RMA is its lack of strategic direction (as noted in the Commission's report) and any spatial consideration of urban environments as complex built spaces. Urban planning needs to regard these areas from multiple integrated facets not just from an environmental effects viewpoint. A key forward step would be a better integration of land use and infrastructure planning – particularly roads.

### Response to Question 13.1

Question 13.1 relates to the Commission considering two approaches to whether or not planning and environmental protection should continue to be regulated through a single resource management law or be regulated through two separate laws.



The problem with a single statute to govern environmental management and planning regulation is that the underlying basis and needs of both are so different that it begs the question of why they should be combined. Environmental management is about protecting the environment whereas urban planning is about enabling and regulating development. The interests of both essentially pull in opposite directions. The Commission should look at international experience and best practice to be guided in this regard.



Certainly as the Commission report points out, the experience and evidence from having planning and environmental management combined under the RMA for the last quarter century is that neither have been well served. In both instances New Zealand now lags far behind international best practice. Possibly the worst indictment is that the natural environment has not benefited as expected under the RMA.

### Conclusion

The Commission's report provides good information on a wide range of topics related to urban planning in New Zealand and includes a chapter on urban planning and the natural environment (Chapter 8). Even so, there seems to be more insight provided on some of the detail than on the high level matter of what to do about the fundamental issue of having urban planning mixed in with the RMA and indeed whether the RMA remains fit for purpose.

It might be useful to look further at overseas examples regarding the legislative treatment of environmental management and planning. The merits of mixing them together or separating them might be better understood with this research and it may help to provide clearer direction for New Zealand.

Yours sincerely

Gavin J Ion  
CHIEF EXECUTIVE

