



03 October 2016

Better Urban Planning Inquiry
New Zealand Productivity Commission
PO Box 8036
The Terrace
Wellington 6143
New Zealand

Dear Sir/Madam

Submission on the Better Urban Planning draft report

Two of the West Coast Councils - the West Coast Regional Council and the Grey District Council (the Councils or the West Coast Councils) - appreciate the opportunity to submit on the Better Urban Planning draft report. Our submission is attached.

We would be happy to discuss any parts of our submission.

Our contact details for service are:

Sarah Jones
Planning Team Leader
West Coast Regional Council
P O Box 66
Greymouth 7840

Phone: 03 768 0466 x 235
Email: sarahj@wrc.govt.nz

Yours faithfully

A handwritten signature in blue ink, appearing to be "Sarah Jones".

Sarah Jones
Planning Team Leader

West Coast Councils' Submission on the Better Urban Planning draft report

This is a joint submission by the West Coast Regional Council and the Grey District Council (the Councils or the West Coast Councils). Given the scope of the inquiry, and possible repercussions of the amendments to the planning system being considered in the report, the Councils believe that it is important that our views help shape the recommendations set out in the final report published by the Commission for Government. Comments are not offered on all findings, recommendations or questions posed in the report, but specific points are made which are considered the most relevant to the way the West Coast Councils fulfil their planning functions on the West Coast.

Whilst we understand that the report has been prepared to address concerns about the way the planning system responds to housing affordability issues in urban areas, this is not the only function of the planning system nor the only place in which the planning system functions. "Urban planning" as a concept is not distinguishable from any other part of planning. The report appears to focus on the "urban", referring to "high-performing cities", "urban trends" and the "changing nature of urban areas" but these are mere components of the broader planning system. To focus on the urban areas whilst ignoring the areas in between is to ignore a key functional part of the system. The planning system, and all its component parts, must be assessed as a whole to ensure a robust and well-functioning planning framework. To achieve a functional planning system, planners must consider all elements within the planning system, urban and rural areas alike. For the same reason, to design (or redesign) a planning system in response to urban issues alone, without considering the issues that exist outside those areas, or the repercussions for those areas resulting from any proposed changes, would be inappropriate. The Commission is encouraged to broaden the scope of inquiry to include consideration of the entire planning system and its operations in all relevant contexts.

In respect of the role planning performs, the document seeks to frame this discussion around "problems" that the planning system has a role in resolving (F3.1). However, we question whether this is the most appropriate, efficient or effective way to approach planning, and wonder whether framing planning in this way takes too narrow a view of planning and unnecessarily restricts the scope of planning and the benefits that can be arrived at when a more constructive lens is applied. Instead of viewing the planning system as a mechanism to address problems, it can also be viewed as a system of resolving problems before they arise. For example, in relation to "spillover effects" (pg. 39), instead of simply treating the problems (through control over property rights, charging for negative externalities, or regulation) planning documents can be used to describe the community's vision for places and direct development in a manner that fulfils that vision.

In developing our own planning documents, we have taken the approach to set out bold aspirational goals which we can strive towards. We are moving away from the traditional protectionist approach, and are acknowledging that economic growth, social and cultural development, and environmental

management can go hand in hand, each used to deliver the other. Our plans will endeavour to manage these relationships and deliver a positive future for the West Coast, achieving this in the most efficient and effective manner.

In terms of analysis of growth and urban areas, the Commission is encouraged to cross-reference the information contained in chapter 4 with the information within the National Planning Statement for Urban Development (NPS-UD). There appears to be some differences in the way "urban" is defined between the documents (for example Gore and Tokoroa are defined as secondary urban areas in figure 4.3, but are not classified as such in the NPS-UD). Figure 4.5 identifies Westport as a minor urban area projected to experience low to medium growth between 2013-2043. With the recent closure of several coal mines and the Holcim cement works, this predicated growth may now be unlikely.

Chapter 7 and its associated findings (F7.1-7.13) are based on a one-sided analysis. This chapter looks at examples of planning practice (many of which are unfavourable) and explains why these are not performing well. It also looks at international examples of countries with comparable practice, drawing similar conclusions about underperformance. However, what it does not do is present the other side of the argument, examining international (or local) examples of planning systems where these practices do not exist and the repercussions of their absence. In order to fully understand the rationale for the current operation of the planning system, one needs to appreciate what the planning system (or wider environment) would look like if these practices did not exist.

The report includes an "important finding" in respect of responsiveness, noting that the planning system is not well set-up to deal with the change and unpredictability inherent in growing cities (pg. 5). However, change and unpredictability are not derivatives of cities. Instead they are derived from the global economies and international markets which most of the developed world currently operates in. The need for the planning system to be responsive and resilient exists not just in cities (although it is often exacerbated in the city context), but in all areas. For example, in the West Coast environment, our primary industries are often affected by global commodity prices, the dairy pay out and the price of coal and gas for example. In areas with a smaller commercial operating base, or with limited economic diversification, fluctuations in the prices of global commodities can have significant repercussions for entire communities, many of which are built around these industries. In these instances, the planning system needs to be responsive to these changes to enable communities to appropriately respond to global shocks. It is noted that elsewhere in the report, the decline of small towns is acknowledged, but no detailed consideration is given to this issue, nor is any analysis offered around how the current planning system could be said to be contributing to, or better managing for this. Given a significant proportion of the population live outside of urban areas (as is described in chapter 4), this is a matter that warrants additional consideration.

The report recommends that a clearer distinction between the built and natural environment is needed, noting that the natural environment needs a clear focus on setting standards that must be met, whereas in the urban environment, assessments require recognition of the benefits of development and allow for change (pg. 332). Planning exists to promote the objectives of sustainable development. Sustainable development, or sustainability, is comprised of three spheres: dimensions, domains or pillars, i.e. the environment, the economy and society. One cannot achieve sustainable development whilst focusing on one of these and ignoring the others. To focus on only environmental standards in "natural" areas will undermine the sustainability of these areas and given the small population of the West Coast region (and therefore small proportion of our region that would be defined as "urban"), this could potentially undermine the wider sustainability of the entire region. The Councils would be concerned that using the current Statistic New Zealand definitions of what is "urban" and therefore available for growth, and by reverse what is "natural" and should meet environmental standards, could result in a significant impediment to growth in our region where only three places (Greymouth, Westport and Hokitika) would fall within the "urban" categorisation. Any future system would need to ensure that emerging growth areas (Franz Josef for example) are not unnecessarily restrained by their current populations and associated classifications.

We agree that Government should be clearer about its priorities (pg. 6 and 334), but the system also needs to accommodate and acknowledge that not all communities are facing the same issues. Any direction from Government needs to be flexible enough to allow differences between areas to be recognised and provided for. If the direction provided by Government is overly prescriptive, and allows no room for locational interpretation of effects, it will undermine the principles of localised decision making and make regional and district planning redundant. The Councils support the recommendations around simplifying the way Government communicates its priorities. A simple single Government policy statement setting out the Governments priorities is preferable to a plethora of national policy statements.

The report suggests introducing a permanent Independent Hearings Panel (IHP) that could replace commissioners in hearings on plan reviews and plan changes. The report notes that requiring this of all plan reviews/changes could add unnecessary delay and costs and therefore suggests that local authorities could retain the right to choose whether or not to use the IHP for plan changes, but to leave in place the ability of submitters or applicants to determine the merit to appeal plan changes not reviewed by the IHP. Should this provision be introduced, the Councils would support this being an optional arrangement (Q.7.2), but notes that in order for the IHP establishment to work for smaller Councils, the costs to Council of appointing the IHP would have to be reasonable and not out of reach of those with smaller operating budgets.

The Councils welcome the acknowledgement that with any legislative change, capacity and culture within central and local government will also need to be better resourced to ensure successful implementation (R12.1 and 12.2).

This ends our submission.