



Planning for business

Travelling congested roads, getting a resource consent, or finding affordable business premises can be made harder by Council regulations and planning decisions.

Now the Productivity Commission is recommending sweeping changes in its report *Better Urban Planning*.

BusinessNZ will make submissions to the Commission with the aim of getting better planning for business.

The Productivity Commission's initial recommendations appear sound although some, such as reducing planning appeal rights, will be controversial.

A key theme is "too much regulation".

The Commission says some Councils are over-regulating their cities, and overly detailed planning rules are holding back business development. In many areas better planning - and less planning - would be better.

Another theme is "development is okay".

The Productivity Commission says development should be welcomed and facilitated instead of being unnecessarily restricted - Councils should enable development and changes in land use, ensure enough development capacity is provided to meet demand, and promote the mobility of people and goods to and through cities.

For too long there has been a presumption in planning that business development is 'bad' – a presumption that has held back a lot of good business.

The Productivity Commission says future planning law should have a presumption in favour of development, subject to clear limits.

This is a message that will resonate with business.

Another key theme in the Productivity Commission's report is the dividing line between the natural environment and the built environment.

These two areas are currently lumped together quite uneasily in the Resource Management Act, and the Commission's report considers different ways that planning for those two areas could be improved.

This approach might hold promise for getting past the deadlock over the Resource Management Act.

Currently, change to the RMA is not possible because of the voting makeup in Parliament, with a single vote preventing needed change.

A new approach to the issues involved - where the natural environment and the built environment are regulated separately - could be a way past that political impasse.

The planning process itself comes under the microscope in the Commission's report.

Council Plans – the rulebooks that businesses must abide by under the RMA – play a pivotal part in either enabling or hindering business growth.

Plans can be overly prescriptive, imposing compliance costs and frustrations on business. Many Council Plans require consent applications for everyday activities. Some Plans contain arbitrary rules or rules that are contrary to other laws.

The Commission's report suggests the establishment of a Permanent Hearings Panel to consider and review new Plans against principles of good practice.

The report overall holds potential for resolving many issues relating to urban planning. It would be helpful if the outcome of this Productivity Commission review was a wide, multi-party agreement on the way forward for urban planning in New Zealand.

BusinessNZ will consider the report in detail and make a submission on its recommendations, and we'd urge other interested parties to do the same.

More information on the report is on www.productivity.govt.nz.

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