

Unlocking the infrastructure impasse

Jennifer Caldwell

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When it comes to identifying the obstacles to development in New Zealand the Resource Management Act (RMA) has always been an easy target. Sometimes the criticism has been fair and sometimes not. For example, it was never intended to make decisions around investing in infrastructure.

The provision of infrastructure to support development, not the RMA, is in fact, the key constraint on urban development, particularly when it comes to greenfield housing developments. Getting this infrastructure - principally the transport network and three waters - planned, funded, consented, and constructed, in the right place and at the right time is a complex challenge.

Planning for land transport infrastructure, for example, commences with a Treasury-mandated business case process. This process identifies network needs and builds the case for investment by setting investment objectives, identifying constraints, developing corridor options, undertaking multi-criteria analyses, and selecting preferred alignments. This process occurs within the planning and funding cycle set up by the Land Transport Management Act, with national and regional land transport plan processes identifying long term priority funding requirements. Compelling business cases can wait years for priority to have funding confirmed before moving into an implementation phase.

Drury, the epicentre of growth pressure in southern Auckland, provides a live example of the complexity of issues. There is significant potential to develop around 22,000 new houses in Drury, but also significant transport infrastructure upgrades required to service this level of growth. Planning to make a case for investment started around 2015. Since then a preferred transport network has been identified through the business case process and route protection notices of requirement were lodged in January 2021. It has taken over six years of planning to reach this point, but there are still RMA approvals to obtain and this is just to protect the land required for the future network, not to construct it. In the meantime, developers have lodged private plan changes to bring forward housing development a decade earlier than the Council anticipated. A key issue to be resolved is how the infrastructure required will be sequenced and funded.

The problem is systemic and solving it will require a complex series of changes to current practice.

What can be done to get the infrastructure in place so developers can build the houses, industrial and business developments the country needs?

Part of the answer lies in strategic spatial planning.

The proposed Strategic Planning Act (SPA) is the second major piece of legislation that the Resource Management Review Panel recommended to replace the RMA. The SPA will provide a legislative framework for mandatory regional spatial planning that will cover both land and the coastal marine area.

Spatial planning as a concept seeks to make strategic, integrated decisions about a region's development. Spatial planning is vision-driven, not issues-driven, and focuses on the "where of things" rather than providing a development control rule book. For example, it will identify the broad pattern of existing and future urban development, areas that should be protected from development, areas that are subject to constraints (eg due to natural values or cultural importance), indicative future infrastructure corridors and opportunities to make better use of existing infrastructure networks.

The RMA Review Panel has recommended that each region undertake spatial planning (the process) and develop a regional spatial strategy (the output). Regional spatial strategies will be required to have a 30 year outlook, informed by longer-term data as appropriate, such as 100 year projections for climate change. Currently in New Zealand, Auckland is the only region that is legally required to have a spatial plan (as a result of local government amalgamation). The SPA should clarify the relationship between regional spatial strategies and other planning documents and national instruments.

In relation to infrastructure, the benefit of a spatial plan lies not so much in where infrastructure corridors or locations are indicatively shown, but in the process of building consensus around the need for them and their strategic importance - once everything is "on the board", the key players are then able to agree relative priorities. The business case process will likely need modification to ensure timely delivery of inputs to regional spatial plans, and infrastructure providers will need to be more responsive to growth pressures so that spatial planning can be updated when priorities change.

The challenge is to get infrastructure constructed in the right place and at the right time for housing and other developments to move ahead at pace. The SPA, and the regional spatial strategies expected to emerge from it, will not provide a complete answer to infrastructure planning and funding imperatives but they have the potential to provide a useful national framework to ensure the right agencies are making integrated decisions across all relevant statutory workstreams. This is a big step in the right direction.

Auckland

**188 Quay Street
Auckland 1010**

**PO Box 1433
Auckland 1140
New Zealand**

**P: +64 9 358 2555
F: +64 9 358 2055**

Wellington

**Aon Centre
1 Willis Street
Wellington 6011**

**PO Box 2694
Wellington 6140
New Zealand**

**P: +64 4 499 4242
F: +64 4 499 4141**

Christchurch

**83 Victoria Street
Christchurch 8013**

**PO Box 322
Christchurch 8140
New Zealand**

**P: +64 3 379 1747
F: +64 3 379 5659**