

Regional Outlook 2019

NEW ZEALAND

Regional Development Policy in New Zealand



General policy approach

The New Zealand government's key regional economic development policy is the Provincial Growth Fund (PGF). The PGF will provide NZD 3 billion between the 2018-19 and 2020-21 financial years to improve the productivity potential of regional New Zealand. Its priorities are to: create more and better-paying jobs, increase social inclusion and participation, support Māori development, encourage environmental sustainability, and improve infrastructure and economic resilience.

All regions (excluding the three main metropolitan areas of Auckland, Wellington and Christchurch) are eligible for PGF funding, although regions identified as needing the most assistance are prioritised. The PGF provides funding for initiatives that have been prioritised by regions, sectors of the economy and the government, to address social and infrastructure deficits in regional New Zealand. The PGF is administered by the newly established Provincial Development Unit (within the Ministry of Business, Innovation and Employment), and is overseen by a group of relevant regional economic development ministers.

Recent policy changes

- The Ministry of Housing and Urban Development (HUD) was established to ensure that housing is more affordable and cities are more liveable. The ministry will be the government's lead advisor on housing and urban development, including responding to homelessness; ensuring warm, safe and dry rental housing; and the appropriate support for first-time home buyers.
- The Just Transitions Unit was established to develop plans and manage the transition to a low emissions economy, together with key regional, iwi (groups of Māori associated with distinct territories) and business stakeholders.
- The government announced its plan to establish a new independent infrastructure body in 2019. The body will help to improve how infrastructure is co-ordinated and planned, make the most of infrastructure that already exists, conduct long-term planning to ensure investment delivers what is needed, and support the delivery of major infrastructure projects. In advance of the body's establishment in 2019, an Interim Infrastructure Transactions Unit was established within the Treasury in November 2018, to provide support to agencies and councils in planning and delivering major infrastructure projects.
- The government amended the Resource Management Act 1991 to improve the resource management system by providing stronger national direction, a more responsive planning process, a streamlined resource consent process and better alignment with other legislation.

Institutional arrangements to prepare for global megatrends

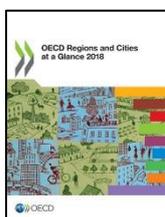
The government does not have a specific national regional development plan. However, the Investment Statement for the Provincial Growth Fund outlines the sectors, infrastructure and regions that will be prioritised for central government investment. Furthermore, the government conducts a variety of projects, initiatives and studies concerning future trends, such as electric vehicles and the production of lab-based proteins. These activities contain a regional dimension as required.

The main piece of legislation that outlines New Zealand's resource management, environmental and planning regime is the Resource Management Act 1991. Under the Resource Management Act, local authorities have significant roles and responsibilities in managing the natural and physical resources, while the central government has the ability to provide national direction to local authorities through issuing national policy statements. For example, the National Policy Statement on Urban Development Capacity directs local authorities in their resource management plans to meet demand for housing and business space.

At the regional level, the Local Government Act 2002 requires local authorities to develop long-term (ten-year) plans which set out priorities and objectives, and provide for integrated decision making and co-ordination of resources. Similarly, the Land Transport Management Act 2003 requires regional authorities to create regional land transport plans (six-year plans). Most regional authorities also have action plans, which identify specific economic activities that will leverage regional opportunities, to increase employment and household income.

Looking for statistical information to complement this?

Take a look at our publication Regions and Cities at a Glance:



<https://oe.cd/pub/2n9>

OECD Regional Outlook 2019: Leveraging Megatrends for Cities and Rural Areas

The 2019 edition of the *OECD Regional Outlook* examines the regional dimensions of global megatrends and their implications for the well-being of people living in different places. It discusses how place-based policies, public investment and multi-level governance reforms can respond to these megatrends to revive productivity growth, reduce inequalities, improve quality of life and increase sustainability.

Consult the full publication and the other country profiles on line: <https://oe.cd/pub/2vq>.

