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**PLANNING A MARKET:  
TRANSFERABLE PLANNING MECHANISMS  
IN NEW ZEALAND**

**Planning A Market:  
Transferable Planning Mechanisms in New Zealand**

A thesis  
presented in partial fulfilment  
of the requirements for the degree  
of  
Master of Philosophy  
in  
Resource and Environmental Planning  
at  
Massey University

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**1996**

## ABSTRACT

New Zealand's Fourth Labour Government undertook radical reforms of the public sector during the mid 1980s. This Government implemented policy changes associated with the neo-liberal ideology, resulting in re-regulation of the national economy and an affirmation of the role of the market in decision-making. The Resource Management Act 1991 (RMA) is a product of this changing political environment; it recognises market forces as legitimate methods of resource allocation and resolution of land-use conflicts.

This thesis investigates the potential of using economic instruments, in the form of *transferable planning mechanisms*, to allocate water and land resources under the RMA. Specifically, *transferable development rights* and *transferable water rights* are examined in the context of achieving desirable environmental outcomes. The RMA promotes sustainability in the management of natural and physical resources through the concept of *sustainable management*. Any policy using transferable rights to achieve planning objectives is required to meet sustainable management criteria.

This thesis explores issues associated with the adoption of transferable rights as planning techniques. The exploratory nature of the research reflects the limited application of such mechanisms in practice in New Zealand. Transferable planning mechanisms were conceived and first implemented in the United States, which provides a base for defining principles and evaluating practice. Commentary on the American experience is used in the thesis to gauge the potential benefits of using transferable planning mechanisms in New Zealand.

Three New Zealand-based case studies were examined in the empirical phase of research. The case study analysis concluded that transferable development rights can be exercised in New Zealand's rural-urban fringe environments in the form of *transferable title rights*. This adjustment to the transferable development right concept is a result of New Zealand's more restrictive institutional environment (when compared to the United States) with regard to landowners' development rights. However, transferable title rights can only function effectively under certain conditions. There must be a positive

demand differential between the areas of preservation and development, in favour of the designated receiving area of title rights. This is the greatest impediment to the successful implementation of transferable title rights in New Zealand.

The thesis research highlights that, there is extensive scope for the effective use of transferable water rights in New Zealand; these have fewer logistical problems and greater market certainty than the application of transferable title rights. Planners should recognise the potential use of nonattenuated property rights as a means of allocating resources sustainably and reducing externalities in resource use decision-making.

This thesis is dedicated to Grandad Gibson, whose intelligence and integrity is  
an inspiration.

*Genius, that power which dazzles mortal eyes,  
is often perseverance in disguise  
~ Henry Willard Austin ~*

## ACKNOWLEDGMENTS

There are many people who have assisted me during the course of this thesis. I would like to take this opportunity to express my appreciation towards those who contributed both directly and indirectly.

Firstly, Professor Philip McDermott for guiding my research and providing me with calm and pragmatic expertise, in what proved to be difficult research circumstances. I would also like to thank the other Planning Department staff for providing a unique learning environment.

I would like to acknowledge those planning professionals who participated in my research. The thesis would not have complete without their interest and knowledge.

I would like to thank my family who have supported and encouraged me throughout my many years of education, and provided two poverty stricken students with the comforts of home while we wrote our theses. The recreational opportunities, of the bovine variety, were also a real bonus when I was suffering from information overload. And yes Karl, maybe someone, some-day, will find my thesis useful.

A big thank you to Alison. It was great to be able to share the thesis experience with someone, even in our cold and dark Palmerston North flat where oil heaters and sleeping bags were essential items for theses writing. Your grammatical and literary genius was invaluable to me throughout the writing phase; through osmosis and force feeding I have learnt a great deal from your passion for words. Let's go swimming.

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