



# Recommendations to support a stronger resource management system

Local Government New Zealand's submission on the Ministry for the Environment's 2021 discussion paper *Transforming Aotearoa New Zealand's resource management system: Our future resource management system* | *Te pūnaha whakahaere rauemi o anamata*

February 2022

## We are. LGNZ.

Local Government New Zealand (LGNZ) provides the vision and voice for local democracy in Aotearoa, in pursuit of the most active and inclusive local democracy in the world. LGNZ supports and advocates for our member councils across New Zealand, ensuring the needs and priorities of their communities are heard at the highest levels of central government. We also promote the good governance of councils and communities, as well as providing business support, advice, and training to our members.

## Introduction

LGNZ thanks the Ministry for the Environment (MfE) for the opportunity to respond to the questions set out in *Our future resource management system – Materials for discussion* (discussion document).

LGNZ commends the Government for working closely with local government to date on the reform of the resource management system, and looks forward to continuing to contribute to and refine the proposed Natural and Built Environments Act (NBA) and Strategic Planning Act (SPA). One of local government's primary roles is implementing the existing resource management system, and while that role is expected to change through the proposed reforms, local government will continue to play a critical role in the new system. Local government is therefore perfectly placed to support the Government to design, transition to and implement a successful new resource management system.

LGNZ is broadly supportive of the high-level direction that the Government proposes to take with these reforms, particularly in the areas of a national planning framework and strategic planning. Both are essential if we are to create a system that both protects and improves the natural environment, while also enabling resource use and development within limits.

However, of critical concern to LGNZ is the potential for loss of local input into resource management decisions. These concerns have been raised with the Government by councils, and the Local Government Resource Management Reform Steering Group (Steering Group). The Steering Group has recently provided the Government with advice on ways to ensure that councils and their communities continue to have strong influence over local, place-making decisions, from the ground up. LGNZ endorses the concerns and proposed solutions set out in that advice.

## Submission structure

This submission is structured in two parts. The first part sets out the five recommendations that Local Government New Zealand considers key to ensuring we have an effectively and efficiently managed resource management system, within the constraints of the decisions already taken.

The second part responds to each of the questions set out in the MfE discussion document. Many of these responses repeat points made in LGNZ's 2021 submission to the Environment Committee on the Inquiry on the Natural and Built Environments Bill: Parliamentary Paper.

## Five recommendations to support the Government's reform of the resource management system

1. Local voice must be enhanced through the design of the future resource management system. Local government needs to play a critical role feeding into and decision-making on Regional Spatial Strategies (RSSs) and natural and built environment plans (NBA plans). Local government also needs to co-design the National Planning Framework (NPF). Both will be crucial to implementation and the overall success of the reform.
2. Further guidance about resolving conflicts between outcomes must be developed and contained in the NPF. This includes developing guidance on what outcomes should be prioritised, including through a hierarchy of outcomes. This will help avoid situations of conflicts being resolved through the consenting process and courts.
3. Changes must be aligned to other reform programmes impacting local government. This includes the Three Waters reform and the Future for Local Government review.
4. Government must be prepared to fund the changes it wishes to make. Transformational change must be followed by transformational funding.
5. Emphasis on the built environment must not be lost in the reform process.

## Recommendation one: Local voice must be enhanced through the design of the future resource management system

### Local voice must be included in regional plan-making

We understand that the Government has made in-principle decisions to shift to a regional planning model. This will involve a single regional joint committee preparing one NBA plan and one RSS for the regional spatial strategy. We understand that the joint committee will be made up of a mix of local government and mana whenua representatives. This will result in significant changes to the current planning functions of existing units of local government.

The proposed regional planning model must have strong local voice and accountability mechanisms to ensure both the political legitimacy and sustainability of the new resource management system. This needs to be balanced with designing a framework that is enabling, flexible and responsive at a sub-regional scale for both the natural and built environments.

LGNZ endorses the proposals put forward by the Steering Group to achieve these outcomes.<sup>1</sup> The Steering Group has proposed two mechanisms for ensuring local voice input into both NBA plans and RSSs, being:

- Statements of Community Outcomes (SCOs), which set out a district or city's vision and aspirations. They could outline strategic directions/objectives, and local placemaking and community wellbeing priorities and objectives, and could cover a 30-year period (which would align with Long-Term Plan Infrastructure Strategy timeframes). The SCOs would be produced by each territorial authority and unitary authority in a region.
- Statements of Regional Environmental Outcomes (SREOs). These would effectively replace the existing regional resource management and coastal environment management plans, for which regional councils have functional responsibility currently, and would include the proposed limits required by the NBA where these are to be determined at the regional level.

The specific content and level of detail of each of these two proposed elements will ultimately depend on the specifics of what is intended to be contained in the RSSs and NBA plans, and the NPF. LGNZ encourages the Government to continue to work closely with the Steering Group and local government technical experts on the scope and content of both NBA plans and RSSs, and the proposed SCOs and SREOs. This should include identifying to what extent existing local government strategic directions, community wellbeing priorities or planning documents (such as long-term plans and infrastructure strategies) inform the development of the two statements.

LGNZ endorses the Steering Group's recommendations that councils have flexibility to determine their own processes for developing SCOs and SREOs. LGNZ also endorses the Steering Group's position that ideally councils would work with mana whenua to produce SCOs and SREOs, and should consider existing iwi management/strategic plans. We agree that mana whenua may also prefer to produce their own statements to be given directly to the joint committee. This point demonstrates the importance of the Government finding ways to bring together the conversations it is having with local government and mana whenua representatives on the reform of the resource management system.

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<sup>1</sup> <https://environment.govt.nz/assets/publications/Enabling-local-voice-and-accountability-in-the-future-RM-system-Feb-22.pdf>

The Steering Group's proposals will help the Government to achieve its objectives of a more effective and efficient resource management system that retains appropriate local democratic input. This is because:

- Feeding SCOs and SREOs up to joint committees would result in improved outcomes for communities. This is because people would have a way to articulate the aspirations, priorities and concerns that are important to them as a community at a local level. Representing local voice is a key function of local government and fundamental to the democratic governance of matters affecting communities.
- There would be greater local government ownership of and accountability for NBA plans and RSSs, as local government would be directly inputting into them. For this reason LGNZ's view is that the legislation must require joint committees to 'give effect to' SCOs and SREOs.
- The process will result in efficiencies in regional plan making to the extent the SCOs and SREOs would help joint committees to rationalise communities' aspirations and clearly understand where there are consistencies.

### Local Government must be represented on joint committees

We endorse the Steering Group's recommendation that elected members sit alongside mana whenua representatives on joint committees. Local government membership on the joint committee is recommended as the most appropriate way to address the issue of local ownership, legitimacy and accountability for planning decisions and implementation. LGNZ considers that all local authorities within a region need to be represented on a joint committee, and if not, each region should have flexibility to determine the number and membership of local authority members on a joint committee.

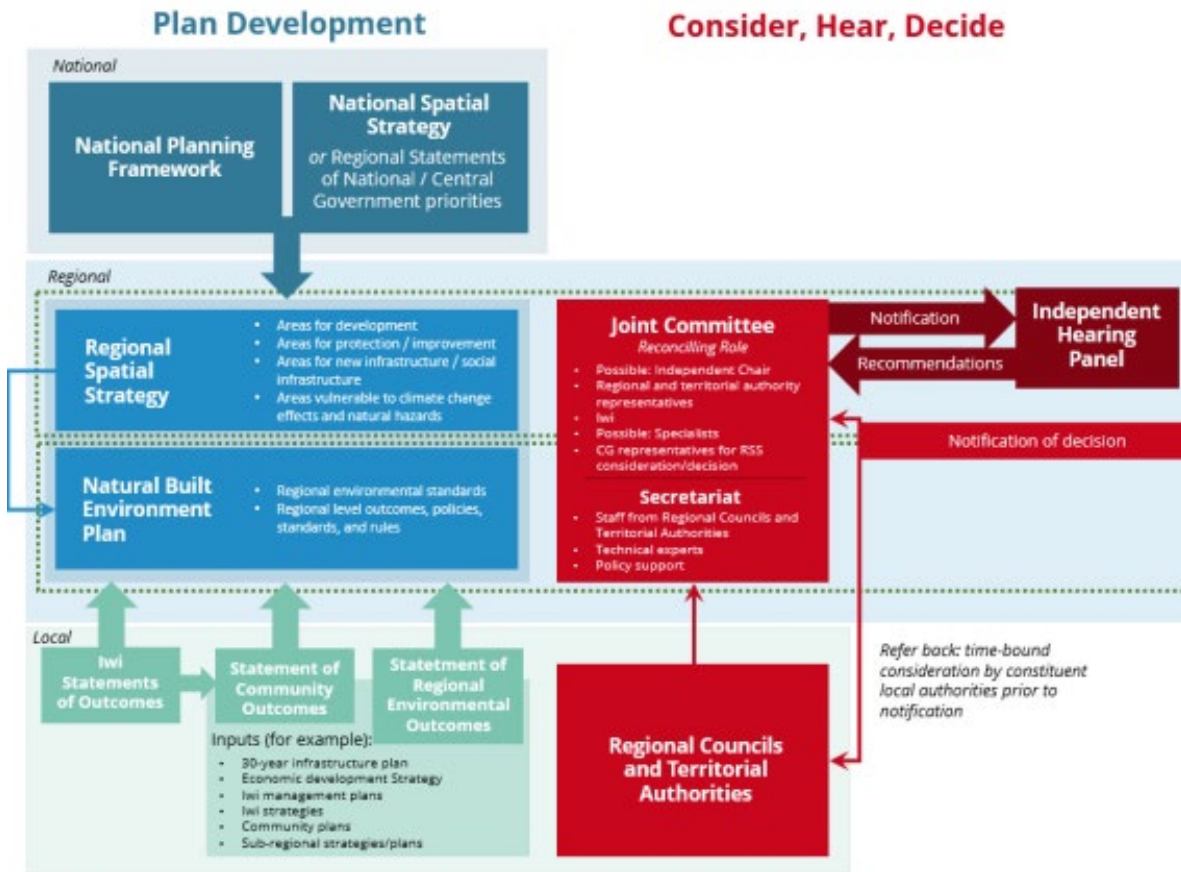
### Other considerations

In addition to a stronger local voice through the proposed SCOs and SREOs, we endorse the Steering Group's recommendation that joint committees refer draft RSSs and NBA plans back to constituent local authorities for a time-bound period of consideration and feedback, prior to notification to independent hearing panels. This would ensure councils retain the ability to sense-check whether the plans appropriately reflect local aspirations, priorities and concerns, particularly if they are not represented on a joint committee.

The diagram prepared by the Steering Group below sets out how this relationship could work.<sup>2</sup>

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<sup>2</sup> Source: <https://environment.govt.nz/assets/publications/Enabling-local-voice-and-accountability-in-the-future-RM-system-Feb-22.pdf>



### Local voice should be included in NPF and setting of environmental limits

We agree that the NPF is, and must remain, a national level document. It is critical that the NPF gives clear direction on how conflicts are to be resolved. But to get that setting right, and to be enduring and avoid significant unintended outcomes, the NPF must be influenced by strong input from local government and iwi partners.

A targeted working group consisting of government officials, local government representatives and iwi should be established to co-design the NPF. Membership of this group would need to be limited to ensure that the group did not become unwieldy and to improve the likelihood of unanimity being reached on issues.

Co-designing the NPF through a collaborative and robust engagement with local government, iwi, and local communities (through their local government representatives) will enable a tailored approach that ensures the NPF is informed by local circumstances and strikes an appropriate balance between national consistency and local diversity. Community input will help ensure the NPF is tested against real life scenarios and therefore be practical and implementable.

### On setting limits

Great care must be taken in setting environmental limits to ensure they do not deliver unanticipated adverse outcomes, such as preventing the uptake of new technology or ability to deliver localised solutions to manage the impact of climate change.

As with the NPF, it is important local communities, via their local government representatives, have sufficient opportunity to effectively engage with the Minister and co-design (with iwi) the setting of environmental limits via a collaborative partnership. Such collaboration again enhances

the 'on ground' experience and expertise of local authorities, which will be invaluable to ensuring limits are practical, implementable and achieve enduring outcomes needed to address fundamental issues.

We consider that this engagement could also occur through the same targeted working group discussed above.

Allowing local 'voices' of local government, iwi and hapū to co-design both the NPF and environmental limits would provide some balance to the proposed nationalisation and centralisation of power with the Minister. Without such a partnership it will be difficult for communities, iwi and hapū to express local preferences and local government to successfully implement the resource management system.

### Other considerations

LGNZ supports the proposed introduction of regional spatial planning and agrees there is value in central government agencies participating in decision-making on RSSs. However, we note that central government agency priorities for regions can be misaligned. Any new resource management system needs to avoid a situation where central government agency participants on joint committees fail to come to the table with a coherent central government view on the outcomes it seeks to achieve for a region (or multiple regions). Equally we need to make sure that, as with the NPF, the Government's investment priorities are not readily changed depending on the Minister or Government of the day, to ensure that the proposed RSSs are enduring and support long-term strategic outcomes.

As such, we agree with the Steering Group's recommendation that the Government should explore the introduction of a National Spatial Strategy (or statements of regional planning and investment priorities) – either within or beside the NPF. Such a strategy could set out:

- the location of major infrastructure and investment, from rapid transit networks and ports to facilities to achieve the circular economy
- inter-regional economic development opportunities
- climate adaptation initiatives.

## Recommendation two: Further guidance must be developed about resolving conflicts between outcomes

Under any resource management system, competing interests and outcomes concerning the use and development of natural and physical resources inevitably and frequently conflict. To date, hard environmental decisions about which national level outcomes should be prioritised at the expense of others have typically been left to local government with little, if any, national direction or guidance and resourcing.

This results in inevitable conflict during plan making and consenting processes. Reconciling competing interests, objectives and outcomes about how natural resources should be managed is complex, and results in significant costs and delays for all participants. Leaving it to local government to make the difficult calls about which national level interests should take priority also creates the risk of significant inconsistency within or across regions and creates a gap with the risk that natural resources may be unsustainably managed.

To deliver the RMA reform objectives, and in particular, the need to improve system efficiency and effectiveness in the plan making process, we consider that the status quo approach must change for the Bill to deliver on its objectives.

### What's currently missing

The approach currently proposed risks reinforcing some of the issues experienced under the existing Resource Management Act. As currently drafted, clause 8 of the exposure draft of the Natural and Built Environments Act sets out 16 unprioritised outcomes for both the natural and built environments.

Recent analysis of local government submissions on the exposure draft, and the Environment Committee's report back, shows that the key area where the Environment Committee disagreed with local government was around the need for clear prioritisation (such as a hierarchy) of outcomes in clause 8. The Committee specifically recommended that the Bill specify there was no hierarchy of outcomes.

Without clarity of direction in the primary legislation about how the outcomes are to be reconciled, it will be left to the courts, local government, iwi/hapū, businesses and community groups to interpret how priorities should be evenly balanced. This will mean there will be lengthy, costly and repeated arguments as to what the provisions mean and how they should be applied. Further, unintended outcomes are highly likely to occur. This will lead to repeated changes in national direction and legislation which has plagued the RMA's history and caused significant issues for local governments left to try and 'pick up the pieces'.

Although the Environment Committee did recommend that the NBA should specify that there is no hierarchy between outcomes, and that policies that achieve synergies between outcomes should be preferred over those that achieve one at the expense of another, LGNZ does not believe that this constitutes sufficient guidance in the primary legislation as to how conflicts between outcomes should be resolved.

### How to resolve conflicts between outcomes should be addressed in the primary legislation, and supported by the NPF

As previously submitted by LGNZ on the exposure draft of the NBA, it is essential that conflicts between outcomes are resolved at the national level to create any likelihood of improving the efficiency of the plan making and consenting process. To that end, we consider that the Bill should require the Minister to resolve key conflicts between outcomes. In practice, this would mean



removing any requirement for allowing the Minister to leave it to local authorities to resolve any conflict between the outcomes.

We also consider that the criteria under which outcomes are to be managed must be set out in legislation. If the Minister is given wide discretion to resolve conflicts the process is open to change with the appointment of each new Minister. Without clear direction within the Act itself, there will be significant uncertainty and a changing framework depending on the politics of the time.

Despite our preference that conflicts between outcomes are resolved in the primary legislation, if the process for resolving conflicts is set out in the NPF, the Minister must be required to engage with local government and iwi/hapū on the key conflicts and how they are to be managed (or prioritised). This direction must filter down to the local level to assist with the development of RSSs and NBA plans.

Similar to our earlier recommendations on the co-design of the NPF, central government should work in collaborative partnership with local government representatives and iwi/hapū to develop a process for resolving conflicts, including focusing on:

- the strategic direction to resolving conflicts
- the mechanisms and process available for resolving conflicts
- if and how particular outcomes could be prioritised, including how they could be prioritised at the regional or sub-regional level.

## Recommendation three: any changes must be aligned to other reform programmes impacting local government

As of January 2022, there are at least 20 (if not more) pieces of central government led reform work underway that will impact local government and how it delivers services to communities. While not relitigating the issue this presents for local government and others to fully engage with each different reform programme, this does highlight the risk of:

- New local/central government functions being established in other reform programmes that result in duplication, service delivery gaps and inefficiencies. This is particularly a concern in respect of the Three Waters Reform programme and the Future for Local Government review.
  - For example, there will need to be alignment between the 3 Waters reform programme and the resource management reforms. This is because it is essential that new housing development has the water infrastructure in place to account for the increase in population growth and changes in urban form (such as greater urban densification). Not having joined-up planning systems and governance structures risks infrastructure being built in places where it is not needed, or housing being built in places without the adequate infrastructure necessary to support it.
- There is a critical need to join up the Government's work on both the Three Waters Reform and Resource Management Reform programmes.
- New structures being established by the resource management reforms that are so fundamental to the operation of local government as to predetermine any ideal outcome that could have been realised through the Future for Local Government review.

We recommend that any final policy decisions made by Government on any reform work – including those beyond the resource management reform – consider the unintended consequences on some of the wider policy changes impacting on local government that the Government intends to make.

## Recommendation four: Government must be prepared to fund the changes it wishes to make

If central government wants to deliver meaningful change it must increase funding to iwi/hapū and local government. Transformative change requires transformative funding. Otherwise, the status quo is likely to endure irrespective of whatever legislative changes are made.

While details on the new roles, responsibilities and functions are still being developed, our starting position is that any process led from the centre, and any new responsibilities (both in plan-making and implementation) that result in additional costs for local government, must sit with central government. This is critical given the variation in levels of funding of local government activity.

LGNZ's view is that the funding for joint committee secretariats should be shared between central and local government, at least in the period of transition to the new regional planning system. This will help to ensure that secretariats are adequately resourced to deliver the first round of NBA plans and RSSs.

The costs of producing SCOs and SREOs (if these are pursued) should be met by local government, given the process for developing these statements would sit with local authorities and would likely replicate existing local government planning documents and engagement with communities.

We also consider that the Crown should provide financial support to iwi/hapū to participate in the new resource management system, as the Treaty partner. While iwi/hapū are better-placed to comment on the financial support that they will need to be able to effectively participate in the new resource management system, LGNZ is increasingly concerned that some iwi/hapū are spending Treaty settlement funds in order to effectively engage with local and central government processes – and not just those related to resource management.

While local government can continue to look to fund some of the costs of other participants who, were it not for funding, may not have the capacity and resourcing to contribute, there must be some central government funding for iwi/hapū capacity and capability in the new resource management system. Local government will be unable to meet those costs alone due to its own funding constraints.

## Recommendation five: Emphasis on the built environment must not be lost in the reform process

While not a focus of MfE's discussion document, LGNZ remains concerned at the lack of detail in the exposure draft of the NBA on the built environment. As set out in our submission on the exposure draft, the limited focus on the built environment and weak drafting of clause 8 outcomes that relate to the built environment runs the risk of the resource management system not delivering the outcomes New Zealand needs. The same applies to climate change and natural hazards.

We urge the Government to ensure that the full NBA better addresses the need for a significant improvement in housing supply, affordability and choice and recognises the need for supporting infrastructure as being critical to resolving housing issues. LGNZ considers that:

- The purpose of the NBA must include clear direction that land use and development should, within limits and with reasonable controls, be enabled.
- The NBA must be clear on when outcomes for the built environment, infrastructure and urban form take priority, and when they do not.
- The NBA must also ensure there are appropriate linkages between the NPF, RSSs and NBA plans to ensure there is sufficient strategic direction for the built environment. The best way this could be achieved is through ensuring that the built environment, infrastructure and urban form are key considerations that 'must' be considered in the NPF.
- The NPF should provide strategic direction that, so long as use and development is within environmental limits, housing and infrastructure development is "enabled", or at the very least, enabled if certain criteria are met.

Again, we consider that the targeted working group (discussed above) would provide an appropriate mechanism for ensuring that the Government effectively engages with local authorities as to what strategic direction should be given for the built environment and urban form.

## Direct answers to each of the questions set out in the discussion document

The following table sets out our response to each of the detailed questions set out in the discussion document. The responses support the design of different elements of the future resource management system, and align with the priority areas as set out in the five recommendations above.

Topic	Question	Response
National Planning Framework (NPF)	What role does the national planning framework (NPF) need to play to resolve conflicts that currently play out through consenting?	<p>As the key document providing the highest level of integrated strategic direction on the management of the environment, the NPF must provide clear direction on how conflicts are to be resolved between competing national level outcomes, rather than merely 'helping' to resolve such conflicts.</p> <p>This is because in the absence of national direction making the 'hard calls' about what national interests/outcomes take priority over others, the conflict plays out in plan making and consenting processes at the local level. This results in significant delays and cost, inconsistencies, and gaps.</p> <p>While our preference is that conflicts between outcomes are resolved in the primary legislation, if conflicts are to be resolved through the NPF or provisions in the NPF that help to resolve conflicts, the Minister must be required to engage with local government and iwi/hapū on the key conflicts and how they are to be managed (or prioritised). This direction must filter down to the local level to assist with the development of RSSs and NBA plans.</p> <p>Under this approach the NPF would provide clear strategic direction on how competing outcomes, for instance climate change, biodiversity, housing and infrastructure are to be resolved, including which outcomes take priority and when and how economic, social and cultural considerations should be considered (or conversely when they should not be considered).</p> <p>Inconsistency between outcomes and environmental limits in all the relevant resource management documents also needs to be avoided. While our current thinking is that the environmental limits would likely trump outcomes, outcomes must align with limits, otherwise there is risk of argument about which matter is higher in the hierarchy. Clear direction and/or consistency would remove any such policy argument.</p> <p>Clearly articulating how conflicts between outcomes are to be resolved at the national level will empower joint committees to develop regional plans that are simple and easier for local government and others to implement. Conversely, a lack of clear national direction risks maintaining the issues presented by the status quo, as having inconsistent and unclear regional planning means leaving it up to local government, iwi and hapū, community groups and the legal system to interpret how</p>

		<p>to address competing outcomes. This will be costly and lengthy for all involved.</p> <p>We consider that a collaborative partnership approach whereby a targeted working group comprising of local government and mana whenua representatives engaging on strategic direction resolving conflicts between outcomes would provide an appropriate mechanism for ensuring that the views of local communities (via their local government representatives) as to what outcomes should be prioritised are given effect to at the national level.</p> <p><b>An alternative</b></p> <p>If the Minister is not required to make decisions about what outcomes take priority at the national level, they should be required to provide detailed, specific and directive national level guidance in the NPF about how the conflicts between the outcomes (listed in clause 8 of the exposure draft of the Bill) are to be resolved, and who is responsible for resolving them, in order to assist and guide local level development through RSSs and NBA plans.</p> <p>As with the preferred approach, it would be essential that local government and iwi/hapū have a meaningful opportunity to engage with the Minister on the development of the process by which competing outcomes are to be resolved.</p>
	<p><b>How would we promote efficiency in the Board of Inquiry (BOI) process while still ensuring its transparency and robustness?</b></p>	<p>The current BOI process has proven to be thorough but cumbersome, and one that is vulnerable to the election cycle and political aspirations of the day. We consider more efficient and effective mechanisms are available to develop the NPF.</p> <p><b>A new approach</b></p> <p>While a greater degree of centralism is appropriate for the development of the NPF, sufficient checks and balances that enhance local voice in any decision-making are required. As mentioned earlier in this document, a process that enables local communities, through their local government representatives, to co-design the NPF through a collaborative partnership with Government and iwi/hapū would provide this check and balance. This collaborative partnership would involve the establishment of a targeted working group consisting of local government and mana whenua representatives to co-design the NPF with Government officials.</p> <p>If a hearing process is desired we would recommend a more agile and efficient process which, while participation is limited and a hearing is unlikely to be held, ensures a detailed review occurs. This can be delivered through adopting (with amendments as required) a fast-tracking process.</p>

		<p><b>Improving the existing proposed approach</b></p> <p>If a BOI process is to be pursued under the NBA then our view is that the process needs to enable substantive and robust engagement with local government. This would:</p> <ul style="list-style-type: none"> <li>• Empower local government to address issues particular to their communities, avoiding a 'blanket' approach and striking a balance between national consistency and local diversity.</li> <li>• Ensure the NPF is tested against real life scenarios and therefore be implementable.</li> <li>• Support local government ownership of NBA plans and RSSs, including any subsequent actions in a plan or RSS that they are responsible for implementing.</li> </ul> <p>One way this approach could be enabled is to allow for local government representation on a BOI panel. Such representation may be needed as community knowledge has the potential be lost from the system through the proposed joint committee and NBA plan making processes, particularly if joint committees are given wide scope to agree plans.</p>
	<p><b>How often should the NPF be reviewed, bearing in mind the relationships between the NPF, regional spatial strategies (RSS) and Natural and Built Environments Act plans?</b></p>	<p>We consider that the full review period should reflect the significant efforts invested in the preparation of the NPF. At a minimum this would be set at 10 years, which aligns with the RMA's full plan review period of 10 years.</p> <p>A full review at 10 years is necessary to ensure the strategic policy direction of the NPF remains up-to-date. This 10-year period also emphasises the importance of getting the NPF right.</p> <p>The NBA could, however, allow for more frequent partial reviews in response to new technologies or innovations, or significant specific local issues. While flexibility is important, it is critical that too many reviews are avoided to allow the strategic direction to bed in and avoid costly amendments to RSSs and NBA plans.</p> <p>Any NPF review should occur before RSS and NBA plan reviews to ensure that the updated national direction guides the development of those documents.</p>
<p><b>Regional Spatial Strategies (RSS)</b></p>	<p><b>To what degree should regional spatial strategies and implementation agreements drive resource management change and commit partners to deliver investment?</b></p>	<p><b>Having clear national and regional direction will help commit partners to investment</b></p> <p>Our view is that the RSSs should guide NBA Plans and help to identify and resolve key decisions and trade-offs at the regional level, reducing the need for these issues to be relitigated in NBA plans and consenting, to a degree.</p> <p>Identifying areas to be protected and areas to be developed will be challenging considering the likely competing and conflicting interests. For the RSSs to be successful it is</p>

		<p>important that the primary legislation and/or NPF provide clear direction on what outcomes take priority.</p> <p>We endorse the Steering Group’s proposal to introduce a National Spatial Strategy, or regional statements of central government’s priorities, to ensure that there is a clear understanding of investment priorities for central government at the regional level. As well as improving the quality of decision-making and planning by joint committees, this is particularly important if central government is going to participate in the joint committees that develop regional spatial strategies, to reduce the risk of national issues being relitigated or incorrectly represented at the regional level.</p> <p><b>The need for flexibility</b></p> <p>The nature of planning, informed by changing expectations and priorities, means however that there will always be a degree of flexibility required – and this should be recognised in the new SPA. This is because there will always be some unknowns at the planning stage – for example, what areas are desirable for development and infrastructure at a given time, what technology and materials are available/suitable for building, whether culturally significant sites are discovered, or if market conditions for development change.</p> <p>As such, there needs to be some flexibility for implementation and investment to change where opportunities arise not previously considered and reflected in RSSs.</p> <p><b>It may be difficult to get partners to commit to delivering investment</b></p> <p>We acknowledge central government’s requirement that public investment needs to go through various statutory processes before being committed.</p> <p>A future (10 year looking) committed investment could result in significant underspend or overspend and allows no flexibility to respond to changing economic and social circumstances. Seldom are the costs exactly known at the time – one committed project over budget could result in significant ongoing issues, and/or overcommitted resources can lead to other worthwhile projects missing out.</p> <p>As such, we consider there may well be difficulty in committing partners to deliver investment, particularly if central government and/or local government are unable to provide certainty of investment on their end. To secure such commitment, the NBA needs to offer significant incentives, such as a clear permissible consenting pathway for projects in areas identified for development and infrastructure.</p> <p>However, where developers and infrastructure providers are sufficiently advanced with a project, they may be able to commit to an implementation agreement and may be encouraged to do so in return for funding and/or support.</p>
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	<p><b>How can appropriate local issues be included in RSSs?</b></p>	<p>It is important local communities, via their local government representatives, have sufficient opportunity to effectively engage and have input into the preparation of the RSS.</p> <p>Enabling local voices to be heard in planning and decision-making processes is crucial for implementation and the overall success of the system. Local communities know their local preferences best, as well as the resources, relationships, challenges, and opportunities in the environmental space. Further, local government is perfectly positioned to advise on implementation and practical system process issues.</p> <p>We consider that there must be:</p> <ul style="list-style-type: none"> <li>• Representation of local government representatives on the joint committee.</li> <li>• A representative from each local authority in a region on the joint committee. If this is not the preferred approach, each region should have flexibility to determine the number of local government representatives on the joint committee and who those representatives are.</li> <li>• Local government participation in the submissions and hearings phases of the RSS development.</li> </ul> <p>We endorse the mechanisms for ensuring local voice in the new system that have been recommended by the Steering Group (SCOs and SREOs).</p> <p>We also consider that:</p> <ul style="list-style-type: none"> <li>• Councils would ideally work with mana whenua to produce SCOs and SREOs and should consider existing iwi management plans/strategies in developing them. Mana whenua may also prefer to produce their own statements to be given directly to joint committees. The Government must ensure that the Steering Group is able to discuss these proposals with the iwi partners that MfE is engaging with on the reform programme.</li> <li>• Joint committees must be required (by legislation) to give effect to statements of community outcomes when producing RSSs.</li> <li>• Joint committees must be required to refer the draft RSS back to each constituent local authority for consideration and feedback prior to notification to the IHP.</li> </ul>
	<p><b>With regional and unitary council boundaries proposed for RSSs, how should cross-</b></p>	<p>We consider that the status quo process for resolving cross boundary issues, as provided for under section 67(2)(f) of the RMA, should continue and be applied during the preparation of the RSSs. That is, that regional plans set out the process by which cross-boundary issues will be resolved.</p> <p>At a high level, this will require joint committees for both regions discussing and resolving those issues, which may</p>

	<p><b>boundary issues be addressed?</b></p>	<p>require the need for joint hearings of joint committees in relation to those joint issues. This may also need to extend to joint hearings by IHPs too.</p> <p>We also consider that the Steering Group’s proposal for the introduction of a National Spatial Strategy may help to identify where there is a need for inter-regional coordination on cross-boundary, spatial issues.</p>
<p><b>NBA plans</b></p>	<p><b>Do you agree with the Randerson Panel’s recommendation to have one combined Natural and Built Environments plan per region?</b></p>	<p>We accept that the Government has already made in-principle decisions to proceed with NBA plan per region. This approach is likely to result in efficiencies and enable a more joined-up approach across local authorities.</p> <p>However, some concerns remain. The regionalisation of plan making and the preparation of NBA plans via joint committees:</p> <ul style="list-style-type: none"> <li>• Will significantly reshape the role, functions and potentially form of local government. Doing this work separate to the other significant reform work underway may risk introducing mechanisms that are inconsistent with the outcomes of other reforms, for example, any regional or multi-regional governance structures that are put in place as a result of the 3 Waters Reform Programme.</li> <li>• Risks removing, or significantly reducing, the local 'voice' of communities from the planning process. Local 'voice' is crucial for the overall success of the system – both in terms of delivering positive outcomes for the natural and built environments and effective implementation of the system.</li> <li>• Reduces the ability to address local specific issues.</li> <li>• May reduce the benefits to iwi and hapū of changes resulting from the introduction of Māori wards.</li> </ul> <p>In LGNZ’s view the best way to mitigate the risks presented by the Government’s proposed approach is to further develop the proposals put forward by the Steering Group on how to enhance ‘local voice’ in a new resource management system.</p>
	<p><b>Would there be merit in enabling sub-regional NBA plans that would be incorporated into an overall regional NBA plan?</b></p>	<p>We consider there could be merit in enabling sub-regional NBA plans that would be incorporated into an overall regional NBA plan. However, this is entirely contingent on what the final content and scope of NBA plans is.</p> <p>We consider the best approach to enabling sub-regional issues to be considered and addressed is through the Steering Group’s proposed SCOs/SREOs which would feed into a NBA plan (and RSS).</p> <p>However, thought will need to be given to ensure that any sub-regional planning approach, including that proposed by the Steering Group, does not simply 'mash' together existing plans to form a 'Frankenstein' planning outcome with no cohesion and strategic direction.</p>

		<p>The Steering Group has recommended that guidance should be developed to support the drafting of the recommended SCOs and SREOs. We agree with this. If sub-regional planning is to be included in the new system, guidance should be included in the NPF as to how these plans are incorporated into joint, regional plans. Any such guidance would need to be developed in consultation with local government, and iwi/hapū, and set out:</p> <ul style="list-style-type: none"> <li>• the content to be included in sub-regional plans (or SCOs/SREOs)</li> <li>• the duties and obligations of the joint committees in knitting together the sub-regional plans (or priorities set out in SCOs/SREOs) into the NBA plans</li> <li>• the process for resolving conflicting information/outcomes between different sub-regional plans (or SCOs/SREOs) and how this is reflected in the regional NBA plan.</li> </ul>
	<p><b>What should the role of local authorities and their communities be to support local place-making and understanding of local issues in NBA plans?</b></p>	<p>There are challenges associated with the development of joint committees, including who is on them and the process of appointment.</p> <p>LGNZ’s view is that the members of joint committees must be elected members, given that they are democratically elected and therefore accountable to their communities. This is important given that joint committees will have to make values-based decisions around how to balance competing outcomes and priorities.</p>
	<p><b>Will the proposed plan-making process be more efficient and effectively deliver planning outcomes?</b></p>	<p>LGNZ supports every local authority in a region having a representative on the joint committee. This will be critical if the system is to be effectively implemented at the local level. If the Government’s preference is that not every local authority is represented on the joint committee, LGNZ’s view is that it should be left to the local authorities and mana whenua in each region to determine the number of local authority representatives and who they are. We also support each region having flexibility to determine the process for appointing members to joint committees. However, we agree with members of the Steering Group that there would be merit in requiring members of joint committees to have appropriate skills, experience and expertise that are relevant to planning.</p> <p><b>Inclusion of local voice in regional plan making</b></p> <p>As already noted, we endorse the Steering Group’s recommendations around the development of SCOs and SREOs. These will help to ensure strong local community input into regional plan making processes, leading to better outcomes for communities.</p> <p>The process of developing SCOs and SREOs and feeding them up to joint committees can be made more efficient through:</p> <ul style="list-style-type: none"> <li>• Having clear national guidance, co-designed with local government and mana whenua, on the development</li> </ul>

		<p>of SCOs and SREOs and how joint committees are to feed them into regional plans (see answer to the sub-regional planning question).</p> <ul style="list-style-type: none"> <li>Local authorities drawing on existing local government plans, community wellbeing outcomes and strategic directions in the preparation of SCOs/SREOs.</li> <li>Clearly specifying the timeframe within which local authorities must develop SCOs and SREOs. The Steering Group recommended that 9 to 12 months for developing SCOs may be an appropriate timeframe.</li> <li>Providing draft RSS and NBA plans back to constituent local authorities for a time-bound period of consideration and feedback, prior to notification to independent hearing panels (should these be adopted as currently proposed). This would ensure councils retain the ability to sense-check whether the plans appropriately reflect local aspirations, priorities and concerns, particularly if they are not represented on the JC. Putting a clear timeframe around this process that reflects council processes, and which limits the risk of protracted engagement, is essential.</li> </ul> <p>While this may be seen as creating another layer of planning in the process (and therefore less efficient than a consultation process simply led by a joint committee), there is a trade-off to be made between substantially increased efficiency and ensuring that there is local democratic input into the plan making process.</p>
<p><b>RSS and NBA plan joint committees</b></p>	<p><b>How could a joint committee model balance effective representation with efficiency of processes and decision-making?</b></p>	<p>Key to the success of the resource management reform programme is retaining strong local voice in plan-making. We agree that a challenge is how to retain local democratic input where final plan-making decisions are made by a joint committee.</p> <p>We consider the role of joint committee should be to be the steward or guardian of the regional plan-making process (acknowledging there will be a need for joint committees to make values-based judgements as to how to balance a number of competing priorities), with local authorities and mana whenua empowered to influence regional priorities and have local priorities reflected (within the constraints of any national guidance/priorities, and balanced against the preference for consistency where possible).</p> <p>The joint committee should:</p> <ul style="list-style-type: none"> <li>be the decision-making body as to how the issues, outcomes and parameters identified by SCOs and SREOs (and mana whenua), and through national direction, are to be achieved and applied at a regional level</li> <li>be supported by a secretariat comprising staff representing all affected local authorities and the</li> </ul>

		<p>mana whenua group representatives involved in joint committees (to the extent that iwi partners wish to hold or participate in the secretariat function and are resourced to do so).</p> <p>The Steering Group’s local voice proposals will help give the joint committees opportunity for community participation than as currently proposed.</p> <p>Local government and hapū/ iwi/ Māori entities must also be afforded an opportunity to participate in the submissions and hearings phases of the RSS and NBA plan development.</p>
	<p><b>How could a joint committee provide for local democratic input?</b></p>	<p>Our earlier recommendations are relevant here, specifically:</p> <ul style="list-style-type: none"> <li>• our endorsement of the Steering Group’s local voice proposals</li> <li>• recommendations that local authorities and iwi/hapū have the ability to participate in submissions and hearings processes (for both NBA plans and RSSs), including timebound consideration of draft NBA plans and RSSs prior to them being notified to the IHP</li> <li>• our strong recommendation that the local government representatives on joint committees are elected members</li> <li>• recommendations around the need for each local authority to be represented on the joint committee, or for local authorities in each region to have flexibility to determine what local government representation on joint committees looks like.</li> </ul> <p>Further, LGNZ is of the view that to ensure consistent and efficient plan-making, and to ensure that joint committees do give effect to the local aspirations and preferences set out in the proposed SCOs and SREOs in a consistent manner, there should be only one joint committee per region, with responsibility for the development of both NBA plans and RSSs.</p>

	<p><b>How could a joint committee ensure adequate representation of all local authority views and interests if not all local authorities are directly represented?</b></p>	<p>Our earlier recommendations are relevant here, specifically:</p> <ul style="list-style-type: none"> <li>• our endorsement of the Steering Group’s local voice proposals</li> <li>• all local government and hapū / iwi / Māori entities should be afforded an opportunity to participate in the submissions and hearings phases of plan development</li> <li>• introduce SCOs/SREOs (as set out in the model proposed by the Steering Group), and requiring that joint committees must give effect to these in the development of regional spatial strategies and NBA plans</li> <li>• provide draft RSS and NBA plans back to constituent local authorities for a time-bound period of consideration and feedback, prior to notification to independent hearing panels (should these be adopted as currently proposed).</li> </ul>
	<p><b>Are sufficient accountabilities included in the proposed new integrated regional approach to ensure the strategies and plans can be owned and implemented by local authorities?</b></p>	<p>Our primary position is that current local government led plan making process provides the greatest level of accountability to ensure that plans are "owned" and implemented by local authorities.</p> <p>If, however, the Steering Group’s recommendations are adopted we consider that local government accountability will be strengthened – which is crucial for implementation and the overall success of the system.</p> <p>In the absence of reorganisation of the functions of the existing units of local government it will be essential to ensure that there is clarity of responsibility and accountability for the delivery of investment in the RSSs and for the policies and rules set out in NBA plans. We recommend that the RSSs and NBA plans clearly state which unit of local government in each region are responsible for administering each and every aspect of the plan, which in some cases may be multiple authorities. It is worth considering that rather than trying to determine this for every scenario via the primary legislation, this could instead be a matter for the planning process to determine and could enable flexibility where there is agreement between councils to transfer or consolidate functions.</p>
	<p><b>How should joint committees be established?</b></p>	<p>We consider that the process for establishing joint committees and the requirements/experience necessary for sitting on them should be co-designed and agreed by central government, local government and mana whenua.</p> <p>Although our preference is for each local authority in a region to be represented on a joint committee (to ensure accountability for plan making outcomes and to support effective implementation), if a lesser number than all local</p>

		<p>authorities on joint committees is the Government’s preference, it should be left up to each region to agree:</p> <ul style="list-style-type: none"> <li>• How many representatives there should be on the joint committee. There should be flexibility on this across regions, as some regions will have more local authorities/mana whenua groups than others.</li> <li>• The process for appointing members to the joint committee. However, we agree with the Steering Group that it will be important for the members of joint committees to have relevant skills, expertise and experience.</li> </ul> <p>In the interests of ensuring that committees are established in a timely manner, we consider that a backstop measure may be appropriate. The criteria and conditions for this should be developed in consultation with local government and iwi/hapū. Our initial thinking is that the criteria/powers for intervention could include:</p> <ul style="list-style-type: none"> <li>• failure to establish a joint committee within a set time period (for example, six months)</li> <li>• the Minister, based on advice from local government representatives and mana whenua, could appoint joint committee members (where a representative from an organisation has not been appointed)</li> <li>• the Minister, based on advice from local government representatives and mana whenua, appoint joint committee members (either in toto or for individual organisations) where there is disagreement as to how many representatives that organisation would have on the joint committee.</li> </ul>
<p><b>Consenting</b></p>	<p><b>Will the proposed future system be more certain and efficient for plan users and those requiring consents?</b></p>	<p>LGNZ understands that MfE officials are still undertaking detailed policy development on this area. The Government should continue to work closely with the Steering Group, and local government officers with relevant technical expertise on this issue.</p>
<p><b>Compliance monitoring and enforcement</b></p>	<p><b>Do you agree with the proposed changes to compliance, monitoring and enforcement provisions and tools? How practical will the proposals be to implement?</b></p>	<p>LGNZ understands that MfE officials are still undertaking detailed policy development on this area. The Government should continue to work closely with the Steering Group, and local government officers with relevant technical expertise on this issue.</p>

<p><b>Monitoring</b></p>	<p><b>Will these proposals lead to more effective monitoring and oversight of the system? Will the system be able to adequately respond and adapt to changing circumstances?</b></p>	<p>LGNZ understands that MfE officials are still undertaking detailed policy development on this area. The Government should continue to work closely with the Steering Group, and local government officers with relevant technical expertise on this issue.</p>
<p><b>Role of local government in the future system</b></p>	<p><b>What does an effective relationship between local authorities and joint committees look like?</b></p>	<p>Local government's role in the development of RSSs and the NBA plans needs to be comprehensive to ensure the plans have buy-in from and are implemented by local authorities.</p> <p>Therefore it is essential that local government is provided with multiple opportunities throughout the process to engage meaningfully and collaborate, not only with the Minister at the national strategic level in relation to the NPF and environmental limits, but also with the joint committees in the development of RSSs and NBA plans.</p> <p>We consider the best way this can be achieved is through</p> <ul style="list-style-type: none"> <li>• Allowing every local authority in a region to be included on a joint committee, and for regions to have the first opportunity to determine the makeup of the joint committee.</li> <li>• Requiring joint committees to be stewards of the regional plan-making process through introducing a bottom-up approach where local voice and local issues are heard, and where the issues, needs and perspectives of all local authorities and mana whenua groups within the region are considered by the joint committee. The local voice proposals put forward by the Steering Group provide an avenue for achieving this outcome.</li> <li>• Ensuring local government and iwi/hapū//Māori entities can engage early and throughout the submissions and hearings phases of plan development.</li> </ul> <p>As described above, in the right circumstances a sub-regional planning process which feeds into the regional NBA plans may be beneficial.</p> <p>The above mechanisms:</p> <ul style="list-style-type: none"> <li>• will enable local authorities to support effective community engagement processes and connect local communities to RSS and NBA plan development, to</li> </ul>



		<p>ensure RSS and NBA plans support and enable local place-making outcomes</p> <ul style="list-style-type: none"> <li>• will enable communities through the SCO/SCEO process to meaningfully influence the draft provisions</li> <li>• will enable local authorities to have greater influence on how the issues, outcomes, parameters and tensions raised by their communities are to be included in a regional NBA plan.</li> </ul>
	<p><b>What other roles might be required to make the future resource management system effective and efficient?</b></p>	<p>Minister and local government (and iwi and hapū) is required to co-design the NPF and ensure local views inform the development of the higher strategic direction in the NPF, including limits.</p> <p>Such collaboration provides a check on the Minister's power, and ensures national direction and limits are practical, implementable and achieve enduring outcomes needed to address fundamental issues. Involvement at the key strategic direction stage also strengthens local government's accountability and their implementation role in the system.</p>
	<p><b>What might be required to ensure the roles and responsibilities of local authorities can be effectively and efficiently delivered?</b></p>	<p>The key factor is resourcing. If central government wants to deliver meaningful change it must substantially increase funding. Transformative change requires transformative funding. Otherwise, the status quo is likely to endure irrespective of whatever legislative changes are made.</p> <p>We consider that the rights and responsibilities of existing units of local government under the new system need to be clearly drafted in the NBA and SPA to avoid any uncertainty and potential litigation as to interpretation.</p>
<p><b>Role of hapū/iwi/Māori in the future system</b></p>		<p>We consider that any future system must be jointly planned with Iwi/hapū/Māori, local government, and central government. We endorse the calls of the Steering Group for more joined up conversations between the Government, local government representatives and the iwi partners the Government is engaging with on the reform of the resource management system.</p>
<p><b>Funding in the future system</b></p>	<p><b>How should funding be distributed across taxpayers, ratepayers and individuals?</b></p>	<p>Our answer to this question can be seen in recommendation four. In short, however, if central government wants to deliver meaningful change it must increase funding to iwi/hapū and local government. Transformative change requires transformative funding. Otherwise, the status quo is likely to endure irrespective of whatever legislative changes are made.</p> <p>While details on the new roles, responsibilities and functions are still being developed, our starting position is that any process led from the centre, and any new responsibilities (both in plan-making and implementation) that result in additional costs for local government, must sit with central government. This is critical given the variation in levels of funding of local government activity.</p>