

Feedback by

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RESOURCE MANAGEMENT REFORM - OPPORTUNITIES TO IMPROVE SYSTEM EFFICIENCY - EARLY ENGAGEMENT

21 May 2021

It should be noted that the following feedback is from staff at Hamilton City Council and does not necessarily represent the views of the Council itself.

1.0 RECOMMENDATIONS

1.1 RESOURCE CONSENTS

- 1.2 That central government consider a legislative framework that provides clear direction and weighting of respective national priorities and outcomes e.g., biodiversity versus housing supply.
- 1.3 That central government legislates to preclude or expressly mandate notification of specific types of activities or activity classifications.
- 1.4 That central government preclude notification of activities that support national direction (e.g., residential housing supply), and/or limit notification to activities that are not contemplated or provided for in a particular zone.

1.5 WATER REFORM PROGRAMME

- 1.6 That central government consider a legislative framework that links spatial planning to water allocation and wastewater consenting and offsetting (where required) that provides for environmental, cultural, social and economic objectives and protects and strengthens existing Treaty settlement mechanisms and upholds Te Tiriti o Waitangi.
- 1.7 That central government consider a legislative framework that links spatial planning to water allocation and also requires water efficiency to give effect to Te Mana o Te Wai and local mataauranga maori principles, such as Te Mana o Te Awa, Mana Whakahaere and Mana Whanake.
- 1.8 That central government consider funding the resources required to provide for RMA and Freshwater reforms; and assistance from Central Government is provided to increase national capacity in the water's services space; and cost recovery is addressed on a larger scale through the RMA reform process.

1.9 STRATEGIC AND SPATIAL PLANNING

- 1.10 That central government outlines a process for delivery of strategic/spatial plans through local planning frameworks.
- 1.11 That central government sets up fit-for-purpose processes for the long-term protection of strategic corridors and infrastructure beyond the current designation process.
- 1.12 That central government provides local government with the tools to enable 'value uplift' of future growth areas.
- 1.13 That central government looks to align key funding cycles across central and local government.
- 1.14 That government departments/ministries undertake work to ensure their mandates/work programmes/priorities are not in contradiction with each other.

2.0 INTRODUCTION

- 2.1 Staff from Hamilton City Council would like to thank the Ministry for the Environment for the opportunity to provide early high-level feedback on the Government's reform of the Resource Management system.
- 2.2 The following high-level feedback is based on the Ministry for the Environment's introductory statement/questions that were sent to Council on 22 April 2021.
- 2.3 *"As you know, one of the Government's objectives for reforming the resource management system is to 'improve system efficiency and effectiveness, and reduce complexity, while retaining appropriate local democratic input'. As the reform programme progresses, we want to ensure this objective is reflected in the policy work. To help with this we would appreciate your insights on opportunities you see to reduce complexity, time and cost under the new system".*
- 2.4 *"At this stage we are asking for your high-level feedback on:*
- *Ways that national direction, planning and consenting could be made more efficient, to reduce costs on local government, iwi/Māori and users.*
 - *Your insights into barriers within the current system that add unnecessary complexity to the planning process.*
 - *Existing work you have undertaken on making plan making or consenting processes more user friendly and less complex".*
- 2.5 Overall, we support the overall intent and direction of the Government's reform of the Resource Management system, including the key objective by Government for reforming the resource management system of *"Improve system efficiency and effectiveness, and reduce complexity, while retaining appropriate local democratic input".*
- 2.6 Provision of clear national direction and guidance to local government in a timely manner is critical regarding the likes of the Resource Management Act, District Plans, National Policy Statements, National Environmental Standards and how they should work in practice, particularly around the various opportunities for community input/involvement - in most cases councils tend to focus primarily on statutory processes.
- 2.7 Lack of appropriate national guidance on implementation of the above examples often results in considerable inefficiencies which, in turn, reduces the effectiveness of such Acts, plans and policies.
- 2.8 We note that reform of the Resource Management system also needs to be cognizant of and take account of other key pieces of related work/plans that are currently being undertaken or are proposed to commence. For example, the New Zealand Infrastructure Commission's recently released consultation document *'Infrastructure for a Better Future: Aotearoa New Zealand Infrastructure Strategy'* which contains various references to the National Policy Statement - Urban Development (noting that Hamilton City Council will be making a comprehensive submission to this consultation document).

3.0 HIGH LEVEL FEEDBACK

- 3.1 **Key Issues from a Consenting Perspective**
- 3.2 Hamilton City Council's Regulatory Effectiveness and Efficiency Programme (**REEP** - refer [here](#)) commenced in 2017 to ensure that Council's regulatory functions are as effective, efficient, transparent and customer focused as possible.
- 3.3 **REEP** indicated that certainty of outcome for both applicants and the community are generally valued above flexibility. Both groups wanted to know what types of projects were acceptable in particular areas and what could be expected to occur in their neighborhoods.

- 3.4 An opportunity exists for legislation and national direction to place requirements on the drafting of District Plan provisions to clearly define the outcomes sought in giving effect to National Policy Statements, Regional Policy Statements and local community expectations.
- 3.5 Such an approach will provide a greater level of certainty and avoid the resource consenting process being used as a 'back door' to achieve outcomes that are not clearly defined in the District Plan.
- 3.6 Further, where there are competing outcomes (e.g., biodiversity versus more housing stock), more direct national direction on respective priorities is welcomed. This would avoid policy conflicts being addressed on a case-by-case basis as part of the consenting process.
- 3.7 This policy conflict is one of the biggest barriers and risks to housing supply in the Hamilton context.
- 3.8 Opportunities to preclude or expressly mandate notification of specific activities or activity classifications presents the single biggest opportunity for increased investor certainty and public confidence. The notification assessment often takes considerable time and resource and often further information to understand the level of effect and any potential adverse effects on neighbours and/or the community. Certainty provided by legislative changes and/or more direct guidance and direction from national planning instruments on the types of activities or situations that are either precluded or provided for would assist the applicant, consent authority and the community.
- 3.9 Where an activity supports national direction (e.g., residential housing supply), the opportunity exists for precluding notification to incentivise investment and confidence. A potential option is to preclude notification on activities that support national direction (NPS-UD) or to limit notification to only activities that are not contemplated or provided for in a particular zone. In a Hamilton context this would remove the need for a notification assessment on 95 percent of the applications Council currently processes. Without the need for a notification assessment, the processing planner can quickly move to assessing the merits of a proposal and conditions with commensurate savings in time and cost.
- 3.10 Equally, removal of appeal rights to the Environment Court could be further amended to provide certainty and support national direction. This would need to be balanced against greater community engagement in the plan making process.
- 3.11 An example of ways Hamilton City Council has improved efficiencies and the customer experience is through an electronic resource consent application process and a move towards a fully online application process and customer portal in 2021/22. This will provide customers with a convenient and transparent process to track progress of an application.
- 3.12 From a reporting point of view, Hamilton City Council has adopted an exceptions approach to Section 42A reporting where we seek to adopt information and assessment from applicants, rather than repeat and re-assess material that is agreed. This has the benefit of reducing report writing and timeliness of decisions, but also sharpens and improves the quality of information from applicants.
- 3.13 **Water Reform Programme**
- 3.14 Reform of the Resource Management Act will provide a great opportunity for a framework that could support and enable the Government's Water Reform programme.
- 3.15 In this regard, a real opportunity exists to have spatial planning legislation that is linked and directive for the Water Reform legislation. There is a clear desire in the Water Reform project that the water entity should proactively respond to and enable local area and regional growth aspirations. The following sections discuss this further.

- 3.16 While we recognise that there is potential for inefficiencies, it is fundamental that territorial authorities have certainty of water supply for municipal uses in order to meet their obligations under other Acts.
- 3.17 The NPS-UD requires councils to rezone land to provide for growth. That growth in itself has to be supported by infrastructure and consents for water allocation and wastewater discharges. Councils cannot have rezoned land without services and consents to provide the services. Some sort of certainty (without environmental compromise) is needed to address the existing disconnect. This is also particularly relevant when development is enabled by legislation and councils are required to accommodate this development (such as Kaiangaroa).
- 3.18 Under the existing regime, the process to get consents is resource intensive, costly, lacks certainty and is often done across regions in a siloed way and does not take a best for region approach. With both RMA and freshwater reform underway (where the indications are that there will be rationalised water services), there is an opportunity to consider spatial planning legislation that is linked and directive for the Water Reform legislation, enables Te Ture Whaimana o te Awa o Waikato, and takes into account and recognises aspirations of councils and iwi. It will also be important for any future water entity to proactively respond to and enable a local council's growth aspirations. Reform of the RMA provides a clear opportunity to establish this framework now.
- 3.19 The Resource Management Review Panel considers that the Priority Rule for water allocation is no longer an appropriate way to allocate rights to take freshwater, particularly as this Rule prioritises those with an existing allocation at the expense of potential new users. We agree that 'First in first served' does not consider new water users that may be water efficient. Regardless of priority, it is fundamental that councils or future water entities have 'certainty' of water supply for municipal uses in order to meet their obligations under other Acts.
- 3.20 We also consider that while 35 years is deemed a long term by some, the cost of renewing consents (and resource requirements) can be extreme. Our view is that objectives can be met by having review periods that consider demand management factors and use stepped takes aligned with growth. A longer term will recognise the planning and funding that is required under Local Government Act statutory processes.
- 3.21 We are concerned about how well integration (through spatial planning and combined plans) can be delivered due to resource constraints, including iwi, in addition to ensuring that water services meet the requirements of the proposed Water Services Bill and expected increased focus by Taumata Arowai the new water regulator. We are also concerned about the ability to recover costs when providing services to those unable to meet compliance standards as currently proposed in the amendments recommended to the Local Government Act within the Water Services Bill. Assistance from Central Government is therefore required to increase capacity in the water's services space.
- 3.22 Proper recognition and giving effect to the principles of Te Tiriti of Waitangi and providing greater recognition of te ao Māori, including mātauranga Māori, is supported.
- 3.23 We advocate and support a greater role for manawhenua involvement in spatial planning as this will significantly improve delivery of better sustainable outcomes within structure and catchment planning. It is noted that there is a recommendation for provision for payment of reasonable costs where Māori are undertaking resource management duties and functions in the public interest.
- 3.24 We have commented previously on Iwi engagement and the need for central government resourcing of iwi of the region. A National Advisory Board is recommended by the Resource Management Review Panel and we believe that an agreed structure is critical to ensure that manawhenua participate in and have their rangatiratanga and kaitiakitanga status recognised

and preserved.

3.25 **Strategic and Spatial Planning**

- 3.26 Strategic and spatial planning for the long-term future of regional or sub-regional areas presents significant opportunities to deliver efficiencies in costs and improve alignment between local and central government - if done right.
- 3.27 A true partnership between central government, local government and Iwi is required for effective plan making, and that these partnerships need to be enduring beyond plan development to ensure delivery occurs.
- 3.28 This includes each party being resourced appropriately (both through the right people being involved and able to make decisions, and money) to ensure plan making and implementation is successful.
- 3.29 Ensuring alignment of outcomes at the strategic plan development stage is critical to ensuring less churn and litigation between different entities, thus saving the public time and money.
- 3.30 Integration of high-level strategic planning into local planning frameworks and the process for doing this needs to be clear. Significant time and resourcing have been dedicated to the development of these plans to date (H2A and Hamilton-Waikato Metro Spatial Plan), and how they will be translated into, or reflected in plans that enable development needs to be easily understood.
- 3.31 A key focus of spatial planning is the protection of future corridors or areas for public infrastructure. The method by which this will be achieved needs to be simple and fit-for-purpose. The current designation process is unsuitable to achieve these long-term aims and effective alternatives and funding sources need to be developed.
- 3.32 Value capture, or land value uplift, is a key consideration for local government when considering long-term strategic and spatial planning. We need to ensure that our planning transparency over the long-term does not commercially disadvantage us by sending early signals to the market of future development rights, thus increasing land costs and the subsequent costs of providing infrastructure.
- 3.33 Having methods in place to capture a portion of this 'value uplift' is critical prior to finalising any long-term plans.
- 3.34 There needs to be alignment of funding cycles between local and central government to effectively deliver on strategic and spatial planning.
- 3.35 Certainty of funding is required, as is alignment of funding timeframes. For example, councils plan for 30 years, the Ministry of Education for 3 years, and Waka Kotahi for 3 years. To effectively deliver on the outcomes of spatial plans, all partners need to be able to provide the same level of certainty for investment.
- 3.36 A significant impediment to successful strategic and spatial planning is the current competing priorities that are emerging between different government departments, policy and legislation.
- 3.37 An example of this is the competing priorities between the National Policy Statement - Urban Development and environmental bottom lines. This is also likely to play out through the National Policy Statement Freshwater and the National Policy Statement on Soils. The requirement to deliver density and maximum capacity for houses and jobs often comes up hard against the requirements of the National Policy Statement Freshwater.
- 3.38 These competing issues need to be resolved across central government as they will result in significant time and cost for local government to address.

- 3.39 Overall, central government departments need to agree on outcomes across different 'silos' before competing issues are identified at plan making stage.
- 3.40 Clear plan making structures need to be identified prior to the Strategic Planning Act being finalised. This will be a challenging process, and there is uncertainty as to whether 'regional' is the appropriate scale at which to develop spatial plans due to the competing demands and challenges across these areas.
- 3.41 **Climate Change**
- 3.42 We support the objective of adapting to climate change and risks from natural hazards and mitigation of emission contributing to climate change. The proposed new Acts and integrated planning can lead the way for carrying out robust infrastructure resilience planning, managing climate change adaptation in a consistent way and recognition of geographical hazard constraints via spatial planning. This will provide efficiency and certainty for decision-makers and the development community.

4.0 FURTHER INFORMATION AND OPPORTUNITY TO DISCUSS OUR FEEDBACK

- 4.1 Should the Ministry for the Environment require clarification of the feedback from Hamilton City Council staff, or additional information, please contact **Grant Kettle** (Planning Guidance Unit Manager) on 07 838 6639, 021 883329, email grant.kettle@hcc.govt.nz or **Luke O'Dwyer** (City Planning Manager) on 07 838 6418, email luke.o'dwyer@hcc.govt.nz in the first instance.
- 4.2 Hamilton City Council staff would welcome the opportunity to discuss the content of our feedback with the Ministry for the Environment in more detail.
- 4.3 We look forward to providing further feedback through the formal consultation stages of the Government's reform of the Resource Management system.

Yours faithfully



Richard Briggs
CHIEF EXECUTIVE