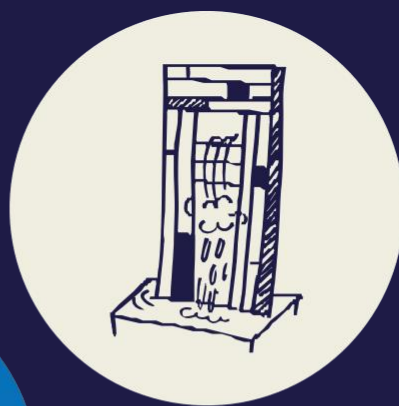


HAMILTON CITY COUNCIL SUBMISSION

Spatial Planning Bill

Parliament's Environment Committee



17 February 2023



**Hamilton
City Council**
Te kaunihera o Kirikiriroa

Improving the Wellbeing of Hamiltonians

Hamilton City Council is focused on improving the wellbeing of Hamiltonians through delivering to our five priorities of shaping:

- **A city that's easy to live in**
- **A city where our people thrive**
- **A central city where our people love to be**
- **A fun city with lots to do**
- **A green city**

The topic of this submission is aligned to all of council's priorities – spatial planning has a broad impact on the business of Council.

The focus of this priority is to become a sustainable city by challenging the way we grow our city and how we live within our city.

Council Approval and Reference

This submission was approved under the Mayor of Hamilton's delegated authority on 17 February 2023.

Hamilton City Council Reference D-4515014 - Submission # 723

Key Messages and Recommendations

1. Hamilton City Council appreciate the opportunity to make a submission to the Spatial Planning Bill.
2. Hamilton City Council opposes the passing of the Spatial Planning Bill (SP Bill) in its current form.

Key Message 1: Recognise Future Proof Strategy

3. The Hamilton-Waikato sub-region has a long and successful history of collaborative planning and growth management in partnership with Iwi and Central Government through the Future Proof Partnership, and this should form the basis of the Regional Spatial Strategy in the Waikato sub-region.

Recommendations

4. Existing “approved’ spatial plans should not be lost, these should form the basis for Regional Spatial Strategies (RSS)s
5. The “gap” for delivering on the Future Proof Strategy in the Waikato is now regarding funding, we recommend that RSSs should go hand in hand with new funding levers to enable the jointly agreed outcomes to be delivered.

Key Message 2: Planning for Metro Growth Areas

6. Arbitrary regional boundaries for RSSs are inappropriate and will be unlikely to deliver the outcomes sought by Central Government (particularly in growth areas) and allowance should be made for Regional Planning Committees to decide the appropriate scale at which the strategies should be developed.

Recommendations

7. Spatial planning must be multi-scalar in nature to best address the issues experienced. Greater flexibility within regions is required to focus in on specific issues.
8. If existing regional boundaries remain, the structure of RSSs need to allow for separate sections and different iterations and updates. For example, one section might address urban metro-centric issues and challenges (e.g., Hamilton-Waikato metropolitan area), while another might address coastal retreat. These separate sections should be enabled to be produced at different times based on need and comprise the requisite stakeholders which might differ to other sections of the RSS which address different areas of matters e.g., Thames-Coromandel versus Greater Taupo.
9. In the cases where cross-regional planning is required, this should be provided greater direction to ensure this occurs and is prioritised and resourced accordingly.

Key Message 3

10. Integration of Central Government Reform Resource management reform does not integrate with the other reforms which are currently impacting the local government sector. Three Waters Reform, and any ongoing reorganisation of local government as a result of the Future for Local Government review must be integrated with the resource management framework. It is essential that there are strong connections between all planning processes, specifically those related to infrastructure planning and delivery, and urban growth and development.

Recommendations

11. Resource management reform should be slowed down and carried out in conjunction with other reform occurring within the sector.

Key Message 4: Regional Planning Committees

12. Planning Committees and Planning Secretariats are likely to add an additional layer of bureaucracy to the planning system, weakening democratic local decision-making and having limited accountability to communities.
13. A single central government representative on Regional Planning Committees (RPCs) is unlikely to be workable and have the mandate to commit all of Government to an agreed RSS and the investment required for its implementation.

Recommendations

14. RPCs must be democratically accountable.
15. RPCs need to be of a workable scale. RPCs based on current regional boundaries in the Waikato mean that RPCs will be unwieldy and unworkable.
16. RPCs must contain other key stakeholders who will play a role in the delivery of these plans.

Key Message 5: Purpose and Objectives

17. The purpose and objective sought remain broad and ambiguous. The purpose of RSSs needs to be clearly stated to ensure their full potential is realised.

Recommendations

18. Successful spatial planning requires a whole-of-government approach. As such the composition of RPCs needs to be reconsidered to ensure central government are bought into RSSs and committed to their role in supporting the delivery of the outcomes sought.
19. RPCs must contain other key stakeholders who will play a role in the delivery of these plans. As such, one crown representative on RPCs is not sufficient.
20. An 'Auckland Policy Office' model region by region should be investigated to ensure central government investment and priorities are aligned to deliver on the RSSs.
21. RPCs need to be of a workable scale. RPCs based on current regional boundaries in the Waikato mean that RPCs will be unwieldy and unworkable.

Key Message 6: Ministerial Powers

22. Democratic decision making must not be overshadowed by disproportionate decision-making power being given to a government minister.

Recommendations

23. Powers for ministerial intervention in RSSs should be avoided.
24. Ministerial direction should be contained to the NPF.
25. Ministerial and ministry participation in RSSs should occur through the RPC.

Key Message 7: Integration and Consistency

26. The resource management reform overall has been released with an apparent lack of integration and consistency with other key pieces of legislation and resource management stakeholders. Spatial planning cannot occur successfully without full integration of all resource management and planning related matters.

Recommendations

27. We seek that the new Three Waters entity plans must "give effect to" RSSs. We also seek that representation from key utility providers, including three-waters entities, are part of RPCs.

28. We seek the elevation of interested parties under Schedule 4 ss1(a). Central government departments, entities and statutory bodies must feature as parties under the Implementation Plans, specifically part 2, section 54. This needs to carry through to Part 1 sections 1-2 of the Schedule 8 of the NBA regarding the composition of regional committees.
29. We seek consequential amendments to be made to s19B(1) of the Land Transport Management Act, specifically that the National Land Transport Programme “gives effect to regional spatial strategies”.
30. Ensure new terminology and wording is clearly defined and explained within the Bill.
31. The following should also be included in clause 17 to ensure stronger focus on mitigation of climate change:
32. Areas that are currently significant carbon sinks of national or regional significance should be identified in the regional spatial plan.
33. This should include wetlands or peat, and any other land types that need to be protected/managed so they do not become a carbon source.
34. Areas that need to be set aside to planted or in other ways enhanced to achieve regional or national carbon budgets and targets should also be identified in the Regional Spatial Strategy.
35. In addition, clause 18(b) includes reference to effects caused by GHG emissions. This terminology is considered open-ended and should be defined to provide scope for decision-makers.
36. The process of creating an RSS should follow a similar, if not the same, process as an NBE plan as provided for in Schedule 7 of the NBE Bill, not merely subpart 3 of Part 3. In addition, the SP Bill should embed rights of appeal against decisions on RSSs that mirror those that apply to NBE Plans.

Key Message 8: Funding and Implementation

37. Planning reform must go hand in hand with new planning frameworks to enable the aspirations set out within these plans to be delivered upon. In order to increase the likelihood of delivery, the implementation levers by way of agreement and legislative linkages must be strengthened.

Recommendations

38. New funding tools should be provided to enable the outcomes sought through RSSs to be delivered. These include value capture; a growth incentives rebate; strategic infrastructure funding extensions; and a boundaryless DC model (explained above).
39. TLAs who are delivering regionally significant infrastructure should be enabled to collect development contributions beyond their TLA boundaries.
40. The linkages between the RSS and other plans should be strengthened as shown in Figure 3 where an RSS has direct linkages with LTPs, 30-year plans, RLTPs, and 3-Waters strategies.
41. Implementation plans must be enforceable based on a finalised RSS
42. Implementation agreements must extend beyond three-years.

Previous Submissions on Resource Management Reform

43. Hamilton City Council takes a considerable interest in matters regarding resource management reform and has made a number of submissions in this space in recent years - for example:
 - Hamilton City Council’s 24 February 2022 submission to **Transforming Aotearoa New Zealand’s Resource Management System - Our Future Resource Management System - Materials for Discussion - November 2021 Discussion Document** - [refer here](#)

- Hamilton City Council’s 16 November 2021 submission to **the Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill** - [refer here](#)
- Hamilton City Council’s 4 August 2021 submission to the **Inquiry on the Parliamentary Paper on the Exposure Draft - Natural and Built Environments Bill** - [refer here](#)
- Hamilton City Council’s 3 August 2021 submission to the **Government Policy Statement on Housing and Urban Development (GPS-HUD)** - June 2021 Discussion Document - [refer here](#)
- Hamilton City Council’s 2 July 2021 submission to the New Zealand Infrastructure Commission’s May 2021 Discussion Document **Infrastructure for a Better Future Aotearoa New Zealand Infrastructure Strategy** - [refer here](#)
- Hamilton City Council 21 May 2021 staff feedback to the Ministry for the Environment’s **Early Engagement on Resource Management Reform - Opportunities to Improve System Efficiency** - [refer here](#)
- Hamilton City Council’s 13 February 2020 submission to the **Urban Development Bill**
- Hamilton City Council’s 17 October 2019 submission to the June 2021 Discussion Document **Proposed National Policy Statement for Urban Development (NPS-UD)**

44. All submissions made by Hamilton City Council can be [accessed here](#)

Future Proof

45. **Key Message:** The Hamilton-Waikato sub-region has a long and successful history of collaborative planning and growth management in partnership with Iwi and Central Government through the Future Proof Partnership, and this should form the basis of the Regional Spatial Strategy in the Waikato sub-region.

46. Hamilton City Council opposes a ‘one-size-fits-all’ regional approach to planning in New Zealand. As a Tier 1 growth Council, Hamilton and its Future Proof partner councils face unique growth-related challenges.
47. Urban growth management in the Waikato sub-region has been led by the Future Proof Partnership since 2008 – this represented a local acknowledgment that a level of planning was required below that of a regional plan or policy statement but at a level greater than a district or city plan of one Territorial Local Authority in isolation.
48. Future Proof demonstrated that a more joined-up model was required, beyond what legislation and formal institutional arrangements provided for, to address the growth challenges being experienced.
49. The Future Proof Partnership and Strategy is a 30-year growth management and implementation plan specific to the Hamilton, Waipā, Waikato and Matamata-Piako sub-region within the context of the broader Hamilton-Auckland Corridor and Hamilton-Waikato Metropolitan areas. The strategy provides a framework to manage growth in a collaborative way for the benefit of the Future Proof sub-region both from a community and a physical perspective.
50. Future Proof was an initial collaboration between Hamilton City Council, Waipa District Council, Waikato District Council and Waikato Regional Council. The basis of its formation was:
- a) Community concerns about the lack of collaboration and leadership in the management of growth.
 - b) Waka Kotahi NZ Transport Agency (Waka Kotahi) concerns about the lack of integrated land use and transport planning – specifically in relation to land use around the proposed Waikato Expressway.

- c) An awareness of the need to inform the Waikato Regional Policy Statement and Waikato Regional Land Transport Plan.
 - d) Significant growth rates in the sub-region.
 - e) An increasing recognition of the Waikato Region's role in the upper North Island economy, alongside the Auckland and Bay of Plenty regions.¹
51. The first Future Proof Strategy was adopted on 30 June 2009. Embedded within the strategy were density targets for urban areas. The expectation was that the relevant partners would then implement the settlement pattern and density targets in their respective district and regional plans. This occurred throughout the 2010s. The decisions version of the Waikato Regional Policy Statement 2012 embedded the Future Proof settlement pattern and density targets requiring subordinate plans to “give effect” to it.
 52. The Future Proof Strategy was later updated in 2017 and a wholly new strategy adopted in 2022. Future Proof has also fulfilled the Housing Business Capacity Assessments (HBA) reporting requirements for the sub-region required under the National Policy Statement: Urban Development Capacity 2016 and the more recent NPS:UD.
 53. In the case of Future Proof, the iterations of the strategies have been through extensive consultation processes, including the latest 2022 Future Proof Strategy. The 2022 strategy included formal submissions, hearings, deliberations and decisions by the Future Proof Implementation Committee, a committee comprising nominated elected representatives from each partner council and relevant government ministers including the Minister of Housing and Urban Development, Minister of Local Government and the Minister of Transport.
 54. The Hamilton-Waikato Metropolitan Spatial Plan (HWMSPP) was a subset of the Future Proof Strategy and part of the government’s Urban Growth Agenda. Its purpose was to set a long term, 100-year plan for how the Hamilton-Waikato metropolitan area would accommodate and manage growth over the next century with the aim of creating one of the most liveable places in New Zealand. A key aspect underpinning the development of the plan was conceptualising the metro spatial plan area in a boundaryless manner, looking beyond the arbitrary territorial boundaries of Hamilton City Council, Waipa District Council and Waikato District Council. The development of the strategy included a wide range of stakeholders from across multiple sectors, public and private, local and central government. The final plan was endorsed by Cabinet in May/June 2020 and approved by the Future Proof Implementation Committee in September 2020.
 55. The HWMSPP was developed based on the growth scenario that would see the metropolitan area growing to a population of 500,000 with 70% of this growth into Hamilton and 30% into outer lying towns. The development of the plan was underpinned by the fact that the metro area is one urban system where development and resources are connected and are not limited by local government boundaries.
 56. The plan then informed and was incorporated as part of the revised 2022 Future Proof Strategy, which in turn has been included in the Waikato Regional Policy Statement (WRPS) Change 1 notified on 18 October 2022.
 57. Following the HWMSPP, the Future Proof partners identified two key areas of focus in order to enable the plan to be achieved, being transport and wastewater. Work commenced on preparing business cases: the Hamilton-Waikato Metropolitan Spatial Plan Transport Programme Business Case (**MSP Transport PBC**), and the Waikato Sub-Regional Three Waters Strategic Business Case. The latter was followed by the Hamilton-Waikato Metropolitan Spatial Plan Southern and Northern Wastewater Business Cases.

¹ Refer: <https://futureproof.org.nz/about-us/history/>

- 58. The Future Proof land use strategy, combined with the MSP Transport PBC means that the Waikato sub-region is the only metropolitan centre in New Zealand which has an agreed integrated land use and transport strategy with broad-based approval and ministerial endorsement. This has been heralded as best practice in New Zealand.
- 59. Hamilton City Council and its Future Proof partners have a proven track record of effective growth and resource management under the existing legislative frameworks and organisational structures. The potential to lose this collaborative body of work should be avoided and opportunities provided for its roll-over into the region's RSS.

Recommendations

- 60. Existing "approved" spatial plans should not be lost, these should form the basis for RSSs.
- 61. The "gap" for delivering on the Future Proof strategy in the Waikato is now regarding funding. We recommend that RSSs should go hand in hand with new funding levers to enable the jointly agreed outcomes to be delivered.

Planning for Metro Growth Areas

- 62. **Key Message:** Arbitrary regional boundaries for Regional Spatial Strategies are inappropriate and will be unlikely to deliver the outcomes sought by Central Government (particularly in growth areas) and allowance should be made for Regional Planning Committees to decide the appropriate scale at which the strategies should be developed.
- 63. Population growth and its related pressures are largely borne by a discrete number of metropolitan councils, including Hamilton City Council. Given the relatively large populations of these councils, how metro councils manage their growth is directly related to the achievement of central government priorities, including improving housing affordably and achieving climate change objectives. The arbitrary regional approach taken by the proposed RM reforms risks the ability of metro councils to plan for their projected growth adequately and responsibly, and according to their democratic mandate.
- 64. A regional approach to spatial planning is challenging, particularly when there is mandated content for the local scale. Urban outcomes may be "lost" in the regional lens. The regional lens will, from our experience, "water down" the urban focus and vice-versa. This is symptomatic of the spatial scale at which the Bill seeks to carry out spatial planning. Spatial planning must be multi-scalar in nature, and the framework must be sufficiently flexible to enable this. To achieve effective spatial planning there is a need to require a rescaling of issue agendas down from the national or state level and up from the municipal and neighbourhood level - the kind of multi-level governance. The proposed structure inhibits innovation, partnership, and the regional structure means the scale at which planning operates will itself not be responsive to changing economic geographies
- 65. Successful spatial planning internationally has occurred when the scale of institutional organisations and their arrangements are smaller, less complex, delivery arms are more aligned and easier to manage. This has been particularly so when funding has been devolved, as is the case in Northern Ireland and Scotland. This is almost the complete opposite to the New Zealand system where funding is highly centralised.

66. English experience of spatial planning largely failed as the governance landscape was not suited to spatial planning endeavours. English experience has shown how the horizontal and vertical integration of spatial planning has been a challenge. The rigidity of administrative and political borders, the stability of departmentalism and strength of sectoral interests and preferences for small-scale solutions has stifled its success. Spatial planning therefore remained reliant upon new governance institutional frameworks as is the case here in New Zealand. We are likely to repeat the same mistakes as experienced internationally given that the resource management reform is occurring in isolation from local government reform and any wider consideration of how crown agencies engage locally, how funding and funding structures are setup, and how land use planning interacts with transport and three-waters.
67. As proposed under the Bill, the spatial scale of the region and the unique issues affecting certain parts and not others will lead to sub-committees of the RPC looking at specific geographies or sub-regions within the region. For example, a more workable solution would be a sub-committee structure to develop the spatial plan pertaining to spatial scale of the issues or issues. For example, a spatial planning sub-committee for Thames Coromandel given the unique context of this area, another for the Hamilton-Waikato metro area, another for the Greater Taupō sub-region, one for rural Waikato and so on. These plans could then feed up into the RPC and RPC secretariat. Under this scenario, the RPC will be the coordinator of plans, not the plan maker per se. The plan making function will be devolved to the most appropriate spatial scale. This does not preclude regional issues to have a regional planning response by the RPC. Further, RPC secretariat staff should be based out of 'Centres of Excellence' for each plan related topic within a region at the most relevant Territorial Authority e.g., Urban, rural, coastal. This will help retain institutional and intellectual knowledge of those council's staff members who are best suited to specific planning matters, further improving their capacity and capabilities to plan for those topics. See Figure 1 below.

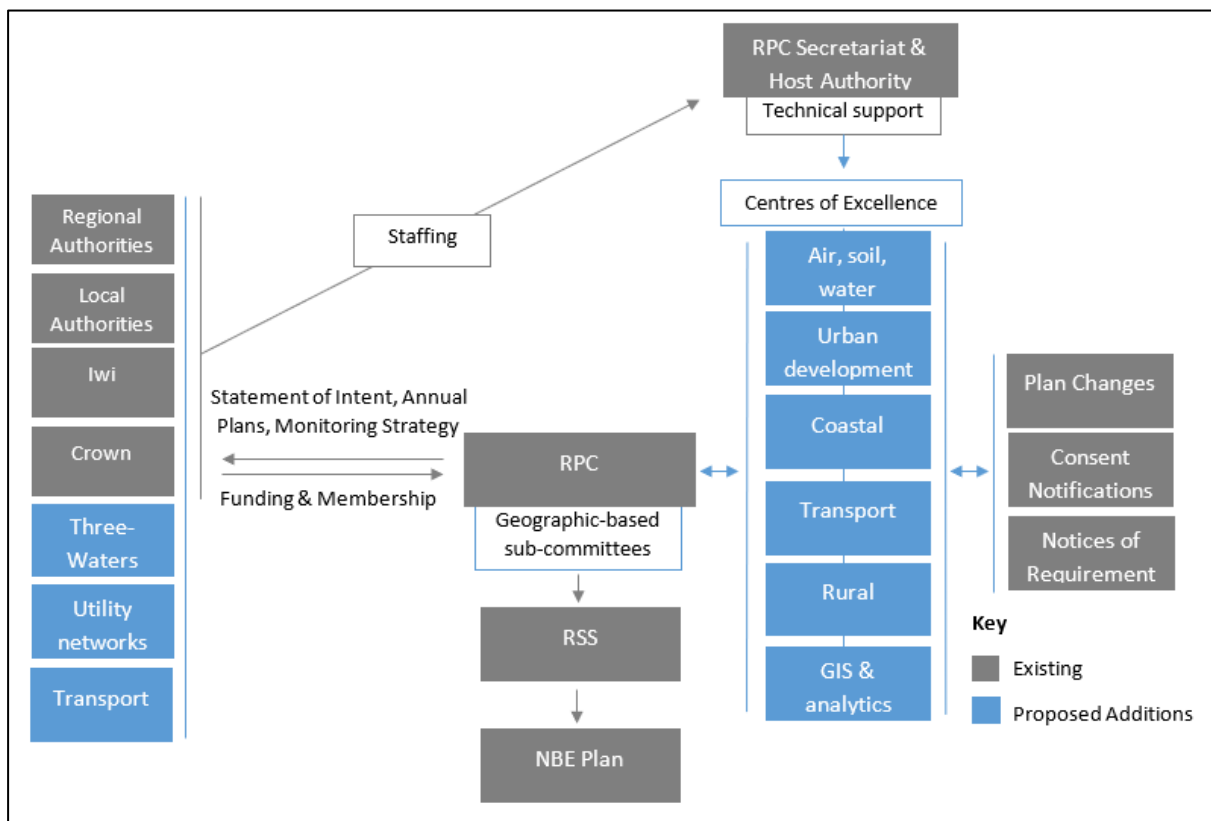


Figure 1: Proposed additions to RPC structure

68. Under this sub-committee proposal, the sub-committees would predominantly be comprised of the local elected members for the TLAs.

- 69.** Maintaining the proposed RPC and RSS plan making structure will throw up various issues. First, there will be political pushback from elected members and ratepayers for funding planning activities in areas which have little to no connection to their locality, for example, North Waikato ratepayers funding planning in Taupō. Second, also relates to resourcing, the level of interest, relevance, capability, and capacity for staff to engage with matters outside of their area of interest or sub-region will be limited. Third, is the bureaucratic complexity and related cost of undertaking spatial planning across a region as geographically diverse and large as the Waikato.
- 70.** Despite the intended aggregation of planning functions regionally through the regional secretariat, in practice the regional areas will need to be broken down into manageable geographic units and/or resource management themes to then carry out planning functions. These will then need to be aggregated up through the RPCs to create the one RSS and one NBE. Given this, it is highly questionable as to what value an RSS at this spatial scale will add other than organisational cost.
- 71.** There are matters which are suited to regional spatial planning and there are matters which are not. The current regional boundaries are based on water catchments, therefore planning at these spatial scales for the management of water makes sense. Planning for urban growth at these spatial scales makes less sense and is better devolved to a lower spatial scale.
- 72.** In addition to concern that existing metro-focused spatial plans may be lost, there is no requirement or guarantee that newly created RPCs will give due weight to metro spatial planning issues given the whole-of-region focus RPCs will be required to take. Where there are already robust plans in place, we do not see the benefit of duplication or re-litigation of these. We seek explicit recognition in the Bill for existing, central government endorsed plans, strategies and their supporting evidence bases, so that these plans and strategies form the basis for first generation RSSs. We seek the inclusion of new clauses to this effect under Schedule 1, clause 2. In the case of the Waikato sub-region, programme business cases have been completed addressing 3-waters and transport to support the agreed sub-regional urban growth pattern. We seek that these business cases form the basis of implementation agreements. This will provide continuity of planning and investment decisions in regions and areas such as the Waikato sub-region.
- 73.** The move to RSSs means that the planning and investment needed to address growth issues is unlikely to be delivered in the timeframes, or on the scale required because of the administrative, bureaucratic and political issues this arrangement will give rise to.
- 74.** Hamilton City Council supports the provision of cross-regional spatial strategies, however, has concern regarding the function the ‘parent committees’ will have in forming and overseeing the cross-regional committee. This concern is made in light of previous points raised regarding the politicisation of RPCs. Unless a cross-regional committee is made at the discretion of the Minister (clause 42), the creation and terms of reference that cross-regional committees work under is at the control of the parent committees of both regions. This has the potential to hinder the ability for cross-regional matters to be adequately addressed. Goodwill in plan-making processes will only take you so far, there is a need for legal direction to ensure certain outcomes occur.
- 75.** Clarification is sought as to what “persons” mean in the context of implementation and engagement within clause 22, clause 57, and Schedule 4, clause 5. Does this include local councils? It is the expectation that it does include local councils, however, it is not immediately apparent when reading the Bill.
- 76.** As with the NBE Bill, we seek that the SP Bill sets out a more formal process for the creation, development and adoption of SCOs and SREOs and that they are given greater legal weight by RSSs, NBE plans and RPCs rather than “particular regard”. This could be caveated that the NPF takes primacy over the SCO and SREOs when there is misalignment. We believe this will help rebalance the proposed planning system, providing greater local input and voice which is currently lacking.

77. An RSS is intended to provide a 30-year strategic direction for the region, with renewal every 9 years. However, if “significant change” occurs in the region, the RSS must be reviewed as per clause 48. The term “significant change” is not defined in the Bill and thus requires further clarification to ensure clear direction and parameters are provided when assessing if a revision of an RSS is necessary.
78. Is noted that cause 2 of Schedule 1 allows existing RMA plan information to be incorporated into an RSS. Hamilton City Council supports this allowing the incorporation of existing RMA planning documents, however, considers that this should be extended to other relevant LGA planning documents. This clause written at present would not include plans in the Waikato such as Future Proof and Hamilton- Auckland Corridor Plan, which have been developed under the LGA. In addition, any future development strategies made under the NPS:UD would not be included either. This results in numerous planning decisions directly relevant to spatial planning not being able to be incorporated in future RSSs, thus creating significant duplication of work. If current plans that have been developed can be shown to deliver on the intended outcomes of the new system, they should be able to be included in the new suite of documents
79. If a region, or part of a region already has an agreed strategy and spatial priorities, with subordinate planning instruments already implementing the agreed strategy, then these must be carried forward. We suggest the clause 2 of Schedule 1 refers to plan “content” and “information”. Only allowing ‘plan information’ to crossover on the face of it might seem logical but there are issues in doing so. First, plan information and evidence can become outdated, it is generally developed for a specific use – so it is difficult to see how this can be ‘crossed-over’ without being also ‘refreshed’. The latter will add significant time and cost to the process. Second, when information is reused, this might lead to it being challenged for its legitimacy and currency. We seek that it must be the planning decisions which are carried forward, along with information.

Recommendations

80. Spatial planning must be multi-scalar in nature to best address the issues experienced. Greater flexibility within regions is required to focus in on specific issues.
81. If existing regional boundaries remain, the structure of RSSs need to allow for separate sections and different iterations and updates. For example, one section might address urban metro-centric issues and challenges (e.g., Hamilton-Waikato metropolitan area), while another might address coastal retreat. These separate sections should be enabled to be produced at different times based on need and comprise the requisite stakeholders which might differ to other sections of the RSS which address different areas of matters e.g., Thames-Coromandel versus Greater Taupo. In addition, RPC secretariat staff should be topic based out of regional ‘Centres of Excellence’. See Figure 1 above.
82. In the cases where cross-regional planning is required, this should be provided greater direction to ensure this occurs and is prioritised and resourced accordingly.

Central Government Reform

83. **Key Message:** Resource management reform does not integrate with the other reforms which are currently impacting the local government sector. Three Waters Reform, and any ongoing reorganisation of local government as a result of the Future for Local Government review must be integrated with the resource management framework. It is essential that there are strong connections between all planning processes, specifically those related to infrastructure planning and delivery, and urban growth and development.

84. Government’s current reform agenda is wide ranging, and resource management reform is one part of what will result in a new future for local government.

85. Resource management reform, combined with the broader reform agenda, represents a system change for the planning system in Aotearoa New Zealand.
86. One of the key challenges facing resource management and planning globally is that of integration - integration of different levels of planning and public policy (nationally, regionally and locally), and the associated investment and funding of these plans and policies at the various levels. Local government benefits greatly from the ability to undertake a wide range of functions across discrete geographic areas in an integrated manner, under one entity.
87. The current resource management reform is at risk of creating a 'form before function' scenario by where resource management structures and process are being determined before local government function has been properly addressed. This is a matter which the Royal Commission of Inquiry into Auckland Governance in 2009 contended with finding that, there was a need to put in place structures which would enable integrated planning and decision-making whilst retaining democratic self-determination at a community level. The creation of RPCs which cut across TLA boundaries and which lack democratic accountability and runs contrary to these very relevant findings.
88. Hamilton City Council views it as critically important that resource management reform aligns with the other key reforms taking place (e.g., specifically Three Waters; the Future for Local Government) and to date, there is still little information on how these reforms will work together to deliver better outcomes for communities. It currently appears as though the three major pieces of reform, Three Waters, resource management and the Future for Local Government have had limited regard to one another, with the first two moving to more centralised systems – although at different scales from each other and recommendations from the Future for Local Government Review, noting the critical importance of localism, local governance and democracy.
89. It is apparent that the form of local government is being fundamentally changed through three waters and resource management reform, however the functions of local government are being debated in the Future for Local Government review which is occurring after these changes. Best practise suggests that form should follow function, however this is the opposite of what is occurring through the wider reform agenda. Resource management and Three Waters are essentially resulting in local government reform, and this approach does not set the sector up to deliver quality outcomes for its communities.
90. In addition, the reforms present a broad approach to resource management that will apply to a wide spectrum of local authorities. This approach comes at the expense of managing the significant issues facing individual councils and their communities, particularly those with large and growing populations.
91. Taken together, the combined effect of these reforms will result in a diminished role for local government, and it is unclear if this cumulative impact has been considered. Without a synchronised and aligned approach, outcomes sought by Hamilton, and Government, around housing, employment, transport and environmental improvement, will be at risk. Opportunities will be missed, and potential problems created if reforms affecting local government continue as they have – siloed.

Recommendation

92. Resource management reform should be slowed down and carried out in conjunction with other reform occurring within the sector.

Regional Planning Committees

- 93. Key Messages:** Regional Planning Committees and Planning Secretariats are likely to add an additional layer of bureaucracy to the planning system, weakening democratic local decision-making and having limited accountability to communities.
- 94.** A single central government representative on Regional Planning Committees is unlikely to be workable and have the mandate to commit all of Government to an agreed Regional Spatial Strategy and the investment required for its implementation.
- 95.** Hamilton City Council has concerns about the establishment of RPCs. As proposed, these distance democratically elected local members from responsibility and involvement in identifying and championing resolution to resource management issues and setting the vision for the region. This would be a major loss in local democratic oversight of RM in New Zealand. As Section 10 of the Local Government Act 2002 states, the purpose of local government is “to enable democratic local decision-making and action by, and on behalf of, communities”. The proposed legislation presents a potential situation where there is no democratic local decision-making in significant resource management decisions.
- 96.** Based on our experience with the Waikato Plan, the Regional Planning Committees (RPCs) and their secretariats are likely to create an additional layer of bureaucracy to fulfil their duties and functions. These RPCs will be costly and inefficient to run, have limited democratic oversight and accountability to ratepayers and risk being treated with contempt by the local authorities and ratepayers in the region who are forced to fund them without sufficient checks and balances. It is widely accepted that larger units, be they government departments or private sector enterprises, are rarely more efficient, nimble and innovative the larger they become. Yet, two of the objectives of reform is about a more responsive and efficient system of resource management. It is our view that planning under RPCs will cost more than under the current resource management system, be less collaborative and have less democratic accountability.
- 97.** The RPC will become influential in making strategic decisions regarding provision of infrastructure, development areas, cultural, heritage and environmental protection. Because of the link between RSS and long-term plans, this will have implications for the allocation of council funds without those decisions going through a meaningful LGA process. Furthermore, as RPCs are not directly accountable to communities for making funding decisions, this has the potential to create significant buy-in and implementation issues. This is without raising the concern of financial accountability and responsibility.
- 98.** The single appointed Crown representative proposed to sit over RSS matters is a challenge. We seek broad central government commitment to RSSs and therefore do not believe a single appointee can provide this. A single appointee presumes that that representative shall provide the voice of all central government bodies. This is an impractical if not impossible task given the already disjointed messaging local government receives from different central government organisations such as Kainga Ora, Waka Kotahi, Ministry of Education, Department of Conservation, and Heritage New Zealand to name a few. We question whether one representative will be given the mandate to commit multiple organisations to an RSS and its implementation. Central government agencies will need to develop capability and capacity to undertake long-term planning for regions. Future Proof has more than one Central Government representative at various levels, which has been an important factor in the Partnership’s success. There are also three Government Ministers on the Implementation Committee.

99. Rather than the RPC adopting an ‘interested parties’ engagement approach in Schedule 4, we consider that it would be more appropriate for RPCs themselves to include Regional Transport Committee representation, utility operations, and three waters entities within the committee structure. For the desired integrated management of the ‘environment’ to be achieved, resource management planning cannot operate siloed from other interdependent entities and institutions at a governance level. The consequences of land use planning, for example, are inextricably linked to transport, three waters, heath, education, and conservation planning and their exclusion from planning risks the creation of conflicting planning agendas and regimes for the same geographic boundaries.

Recommendations

100. RPCs must be democratically accountable.
101. RPCs need to be of a workable scale. RPCs based on current regional boundaries in the Waikato mean that RPCs will be unwieldy and unworkable.
102. RPCs must contain other key stakeholders who will play a role in the delivery of these plans.

Purpose and Outcomes

103. **Key Message:** The purpose and objective sought remain broad and ambiguous. The purpose of RSSs needs to be clearly stated to ensure their full potential is realised.

104. Based on the content of the two Bills, we do not believe the Reform’s purpose and objectives will be achieved. Moreover, in a Waikato sub-regional context, the new system appears to be a backward step from the current planning systems which we have. Through Future Proof, successful regional and central government partnerships have been developed and have achieved integrated land use planning and the development of a sub-regional growth strategy with broad-based buy-in. We have achieved legal recognition under the RMA for the Future Proof Strategy in case. It has subsequently been embedded in the Regional Policy Statement, affording it “give effect to” status in the planning hierarchy. All of this work is likely to be lost in the transition to a new planning system and new organisational frameworks.
105. Overall, we think that the scope of an RSS, and thus its worth, is unclear. As such, the usefulness of an RSS as a planning tool will not be fully realised. Clause 17 sets out a very broad scope of key matters an RSS must contain. In addition, most of these matters could be considered more appropriate for an NBE Plan rather than RSS. For example, subclauses 17(1)(a)-(f) list matters including areas that require protection, areas of cultural heritage, areas appropriate for development, and areas appropriate for rural use. These matters are in effect zoning directives that will be dealt with during the NBE Plan development.
106. The 12 key matters are compounded by the very general and hypothetical language used in the Bill, particularly clause 18 concerning matters of “sufficient significance”. The criteria for “sufficient significance” are broad and likely to encompass numerous matters if interpreted as drafted. The inclusion of the term “sufficient significance” is also novel, only appearing in the SP Bill. The NBE and SP Bills should be using the same terminology – questioning the value of having two separate pieces of legislation. For example, the term “national importance” is used in the NBE Bill but not the SP Bill. This is despite clauses 17 and 18 referring to specific matters of strategic importance or sufficient significance that use the same parameters of “national importance” in the NBE Bill. As such, to be certain about the content, form and workability of a future RSS is near impossible.

- 107.** In addition, limits and targets need to be developed early to develop a well-informed and evidence-based RSS. As per our NBE Bill submission, the contents of the NPF remain unclear given the broad and ambiguous terms used in the NBE Bill and which give great discretion to the Minister of the day.
- 108.** We believe the point of spatial planning has been missed. Spatial planning is not simply a mapping exercise, spatial planning is about achieving integration, alignment and commitment across a range of actors to achieve a desired end state and deliver on certain outcomes. The failing in Auckland of spatial planning was that central government, as the single largest investor in Auckland was never required to commit to the Auckland Plan. As such, it did not live up to its promise, major issues remained in limbo and without commitment, for example where was future growth to be focused and where and when should major transport investment take place.
- 109.** When spatial planning was introduced in Auckland, both the Royal Commission of Inquiry into Auckland Governance (2009) and the Urban Technical Advisory Group (2010), both recommended that central government should formally sign-off on the spatial plan which Auckland Council developed in partnership with central government. Neither occurred as recommended. If this accountability mechanism had been put in place it would have helped ensure that spatial planning for the Auckland Region was a joint, collaborative, and coordinated activity between the two main government stakeholders in the region, thus providing certainty of process and outcome, and thereby ensuring the success of the new spatial governance arrangements. This was a lesson mirrored time and time again in Auckland through attempts at regional planning prior to 2010 demonstrating that informal relationships do not work. The SP Bill in its current form is about to repeat these mistakes.
- 110.** The current proposal represents a weaker arrangement between spatial strategy actors than what currently occurs in the Waikato Region under Future Proof. This means implementation of a sub-regional land use and infrastructure plan with associated funding could be weaker and less certain. We encourage the Committee to look at historical examples of where similar structures as proposed under the SPB have been tried and failed, namely the Auckland Regional Growth Forum throughout the 1990s which produced the Auckland Regional Growth Strategy. This ultimately failed due to the vested interests of each of the respective partner councils and the lack of legislative weight.
- 111.** Collaboration between local and central government, and iwi has been integral to the success of the Future Proof Partnership. However, central government agencies priorities for regions are often misaligned. Coherent central government views on the outcomes it seeks to achieve for a region needs to be articulated – differences between central government agencies must first be reconciled otherwise issues will be encountered at the time of the RSS and Implementation Plan stages.
- 112.** Central government does not provide sufficient joined-up strategic planning direction regarding their priorities for a region’s development and their associated investment. This leaves crucial policy and investment decisions, which heavily affect a region’s development, prone to ad hoc and occasionally, seemingly, spur of-the-moment decisions by Ministers. These decisions, such as transport investment and legislation to increase housing supply can often have significant impacts on the ability to undertake and achieve pre-existing strategies, for example the Auckland Plan. This means TLAs, stakeholders, service providers, and perhaps the ministries themselves are left with no frame-of-reference for when, where, and how decisions by central government are going to take place. When policy and investment decisions are made in isolation from a plan, or strategy, or funder, significant costs are incurred, and some of the worst public policy outcomes are attained.

- 113. A National Spatial Strategy could provide the opportunity for the Government to set clear messaging on its priorities and in particular, Crown investments across regions. This would likely improve NBA Plan and RSS buy-in and, therefore, increase the likelihood of implementation. We seek stronger clarification under Part 2 s15-17 regarding specific investment required by central government, agencies and local government to realise Part 2 s16(1)(a).
- 114. A national spatial strategy would support the goals of reform in creating consistency, clarity and long-term strategic planning for housing, nationally critical infrastructure, and to support the enhancement of the four wellbeing's with particular benefits for economic development goals. The opportunity to create a national spatial strategy should not be overlooked. This would provide central government departments and agencies with much needed alignment between them regarding focus and priority. This would then cascade down into RSSs. Such a national spatial strategy would need to be developed in advance of NBA plans and RSS preparation to ensure ordered plan development.
- 115. The Auckland Policy Office model in its early days suggested a move by central government to have a more coordinated and joined up approach in Auckland. It is difficult to determine their level of success, perhaps because the key decision-making responsibility still remains with central government departments in Wellington. This approach should be revisited as part of the Crown's role in regions, RPCs and RSSs.
- 116. We support RSSs providing strategic direction for spatial planning, land transport, and community infrastructure. How this integration is achieved is important however, it remains unclear what the direction to "set out steps to implement" in clause 4(d) of the Bill will require in a practical sense.

Recommendations

- 117. Successful spatial planning requires a whole-of-government approach. As such the composition of RPCs needs to be reconsidered to ensure central government are bought-into RSSs and committed to their role in supporting the delivery of the outcomes sought.
- 118. RPCs must contain other key stakeholders who will play a role in the delivery of these plans. As such, on crown representative on RPCs is not sufficient.
- 119. An 'Auckland Policy Office' model region by region should be investigated to ensure central government investment and priorities are aligned to deliver on the RSSs.
- 120. RPCs need to be of a workable scale. RPCs based on current regional boundaries in the Waikato mean that RPCs will be unwieldy and unworkable.

Ministerial Powers

121. Key Message: Democratic decision-making must not be overshadowed by disproportionate decision-making power being given to a government minister.

- 122. RPCs are responsible for developing the Regional Spatial Strategies for each region. However, Part 3 (clauses 58-63) provides the Minister with powers to intervene and assist under certain circumstances.

123. Given the significant powers the Minister has under the NBE Bill, we are concerned that there will not be adequate checks and balances put in place to balance Ministerial decision-making with local and regional views. We seek a limitation to the Ministerial powers to intervene only if the plan is inconsistent with the NPF or Government priorities. This is more appropriate. Early engagement with central government in establishing RSS is crucial to ensure that Ministerial powers are not used at the end of the process to veto local and regional interests. This would undermine planning process. The Bill must provide sufficient safeguards to ensure that the ministerial intervention is limited as to when it can occur and to what extent. The scenario must be avoided where a particular stakeholders' interests do not get sufficiently acknowledged in the RSS or NBE plan, that he or she then lobbies the minister, and the minister intervenes.

Recommendation

124. Powers for Ministerial intervention in RSSs should be avoided. Ministerial direction should be contained to the NPF. Ministerial and ministry participation in RSSs should occur through the RPC.

Integration and Consistency

125. **Key Message:** The resource management reform overall has been released with an apparent lack of integration and consistency with other key pieces of legislation and resource management stakeholders. Spatial planning cannot occur successfully without full integration of all resource management and planning related matters.

126. Hamilton City Council supports integration of spatial planning with the LGA, and LTMA, however, no guidance on how future Three Waters entities, health, education or conservation authorities shall be linked or required to participate in the RSS and RPC system. The inclusion of these authorities is necessary, at a minimum, for spatial planning. Future Proof serves a good example of this with several government authorities included in the decision-making.
127. We seek that the new Three Waters entity plans must "give effect to" RSSs. We also seek that representation from key utility providers, including three-waters entities, are part of RPCs.
128. There is a very real risk that the newly established Three Waters entities will become de-facto planning authorities through their allocation of funding and infrastructure strategies. It is critical that these entities take their direction for investment (especially for growth areas) from Regional Spatial Strategies.
129. We seek the elevation of interested parties under Schedule 4 ss1(a). Central government departments, entities and statutory bodies are greater than interested parties and must feature as parties under the Implementation Plans, specifically part 2, section 54. This needs to carry through to Part 1 sections 1-2 of the Schedule 8 of the NBA regarding the composition of regional committees.
130. We seek consequential amendments to be made to s19B(1) of the Land Transport Management Act, specifically that the National Land Transport Programme "gives effect to regional spatial strategies".
131. For councils to align their LTP and infrastructure funding with the RSS, elected members will need to have 'buy-in' with the RSS otherwise implementation is unlikely to occur as anticipated. In practice, this means ensuring the contributions that 'interested parties' give to RPCs when formulating RSSs is given due weight. There is limited guidance as to what weight RPCs should give such contributions from interested parties.

- 132.** Clause 4 sets out how RSSs are intended to promote integration. Regarding integration with the LGA and LTPs, LTPs are required to “set out the steps to implement priority actions”. Further clarity is considered necessary to determine what ‘priority actions’ means in a real sense. Clause 16 attempts to provide a definition of ‘priority actions’ by stating that they are “set actions that must be taken as a matter of priority to achieve that vision and those objective”. The explanation of priority actions offers no further clarification of its meaning and is made no better by including the word ‘priority’ in its own definition. We seek the use of language that is known and tested, such as “give effect”, or otherwise provide clear explanation of terms and intended actions.
- 133.** We support climate being included in clause 17 - Contents of Regional Spatial Strategies: key matters. Climate change adaptation is covered well in this section (17 (j) (ii)), but mitigation is not. We believe to support New Zealand's Emission Reduction Plan, it is also key for the Regional Spatial Strategies to include a stronger focus on mitigation.
- 134.** Direction on achieving climate outcomes in an RSS will be addressed through the NPF. However, the proposed NBE Bill or SPB do not signal that direction is required in the NPF or RSSs to fulfil the needs of the ERP.
- 135.** We note that the purpose of the SP Bill is to assist in achieving the purpose of the NBEA, but also singles out ‘recognising and upholding Te Oranga o te Taiao. Clarification is sought as to whether this affords greater weight to Te Oranga o te Taiao, versus the ‘enabling use and development’ purpose of the NBEA.
- 136.** The NBE and SP Bills should be using the same terminology. Under clause 30 the process of creating an RSS is left for the RPC to decide. While several requirements for preparing an RSS are included within clauses 30-36 and Schedule 4, we seek a more logical, consistent, and thorough method. We seek the RSS follows the same process to that of an NBE plan under Schedule 7 of the NBE Bill (not merely subpart 3 of Part 3 which relates only to hearing procedures). This will provide a nationally consistent and robust process for RPCs to follow. If consistency in plan making is not created, local authorities and RPCs will be contending with plan making processes under multiple pieces of legislation including the SP Bill, NBE Bill, and LGA which will all have different engagement requirements and processes to follow. Furthermore, a robust process is required for RSSs in order to afford them legitimacy, to base other planning decisions off, and to base financial investment decisions off by way of Implementation Plans.
- 137.** A significant concern with both the SP Bill and the RSS process is the complete omission of appeal rights. The Bill provides no opportunity to appeal a decision on an RSS, whether for a de novo hearing or a rehearing of the decision of the RPC, proceedings which are squarely within the competence and expertise of the Environment Court, a specialist tribunal. Nor is there an opportunity to appeal a decision on an RSS to the High Court on points of law. For persons seeking to challenge a decision on an RSS, their only recourse is to lodge an application for a judicial review in the High Court. This is severely limiting, not merely because participants in the process have no ability to challenge findings of either fact or law made by a non-judicial decision-maker, but as for an applicant to be successful in a judicial review proceeding, the Court will need to be persuaded on the evidence that the decision-maker did not lawfully follow the proper decision-making process. That will be a difficult threshold to meet, as the Bill does not set out a clear or prescriptive framework for the development of, and decision-making on, an RSS, a further concern. The Bill is intentionally ‘flexible’ to allow the RPCs to develop a tailored and innovative process for the RSS in order to encourage greater public interest and participation. Hamilton City Council considers that the uncertainty and lack of clarity with the proposed RSS decision-making process and lack of appeal rights will have the reverse effect.

138. If appellate remedies are virtually removed with respect to RSS decision-making as proposed under the Bill, participants in the process effectively get just ‘one shot’ at achieving the outcome that they seek. That is an unsatisfactory outcome. Appeals play a significant role in the plan making process, not only to correct legal and factual errors, encourage the development and refinement of legal principles that apply specifically to plan-making, increase uniformity and standardisation in the application of legal principles applying to plan making, but to safeguard against inappropriate environmental outcomes. Hamilton City Council seeks that the SP Bill embed rights of appeal against decisions on RSSs that mirror those that apply to NBE Plans.

Recommendations

139. We seek that the new Three Waters entity plans must “give effect to” RSSs. We also seek that representation from key utility providers, including three waters entities, are part of RPCs.
140. We seek the elevation of interested parties under Schedule 4 ss1(a). Central government departments, entities and statutory bodies must feature as parties under the Implementation Plans, specifically part 2, section 54. This needs to carry through to Part 1 sections 1-2 of the Schedule 8 of the NBA regarding the composition of regional committees.
141. We seek consequential amendments to be made to s19B(1) of the Land Transport Management Act, specifically that the National Land Transport Program “gives effect to regional spatial strategies”.
142. Ensure new terminology and wording is clearly defined and explained within the Bill.
143. The following should also be included in clause 17 to ensure stronger focus on mitigation of climate change:
- a) Areas that are currently significant carbon sinks of national or regional significance should be identified in the regional spatial plan.
 - b) This should include wetlands or peat, and any other land types that need to be protected/managed so they do not become a carbon source.
 - c) Areas that need to be set aside to planted or in other ways enhanced to achieve regional or national carbon budgets and targets should also be identified in the Regional Spatial Strategy.
144. In addition, clause 18(b) includes reference to effects caused by GHG emissions. This terminology is considered open-ended and should be defined to provide scope for decision-makers.
145. The process of creating an RSS should follow a similar, if not the same, process as an NBE plan as provided for in Schedule 7 of the NBE Bill, not merely subpart 3 of Part 3. In addition, the SP Bill should embed rights of appeal against decisions on RSSs that mirror those that apply to NBE Plans.

Funding and Implementation

146. **Key Message:** Planning reform must go hand in hand with new planning frameworks to enable the aspirations set out within these plans to be delivered upon. In order to increase the likelihood of delivery, the implementation levers by way of agreement and legislative linkages must be strengthened.

147. It is an oversight of the RM Reform programme that its scope did not reach to:
- a) Funding linkages i.e., to long term plans under the Local Government Act, and
 - b) Land transport management strategies and national land transport management fund under the Land Transport Management Act.

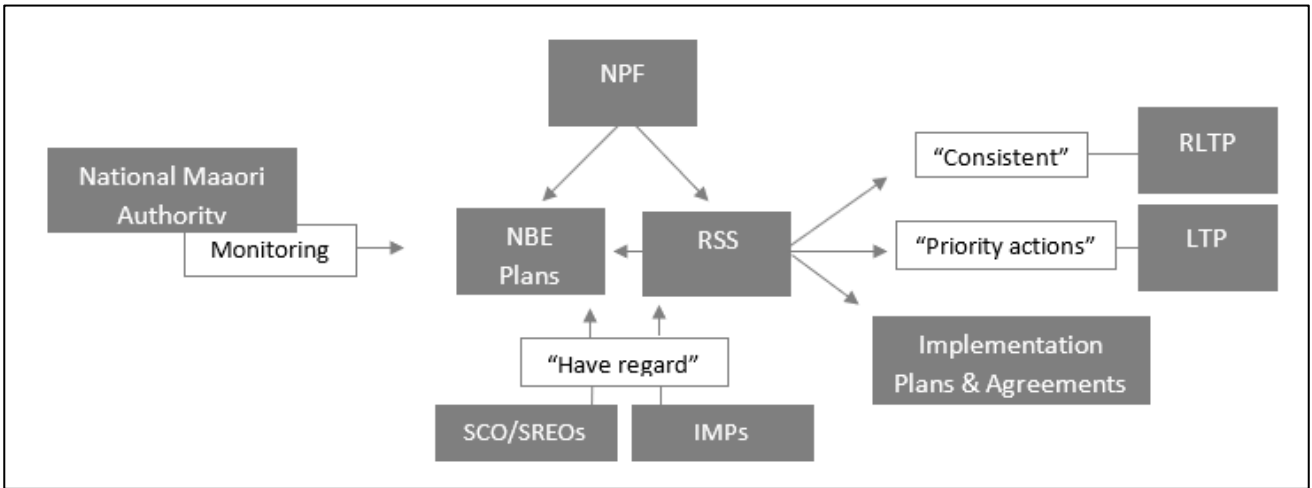


Figure 2: Reform proposal

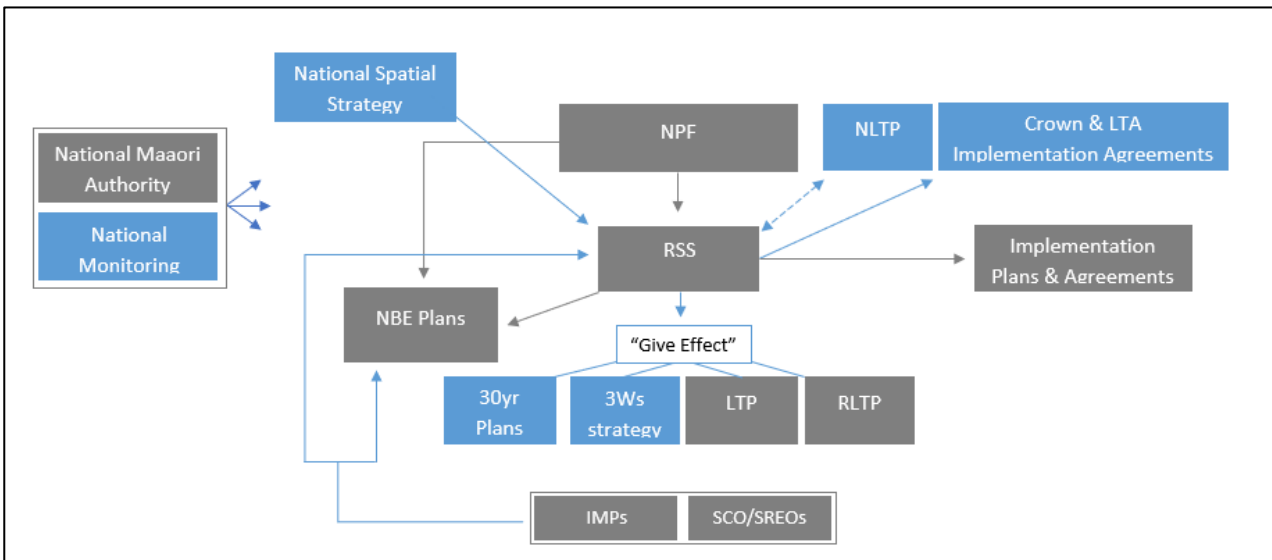


Figure 3: Hamilton City Council additions to Reform proposal

Planning must be connected to funding and transport. It must then have the enabling institutional arrangements. Resource management reform, without considering the LGA, LTMA and local government arrangements, will mean that resource management reform will not deliver on the promise to deliver improved outcomes. Funding, transport, and planning are three integral legs to achieving integrated planning. The resource management reform as proposed is missing two legs.

148. A flaw of the current planning system has been the poor integration with land use, infrastructure, and infrastructure funding and financing. To resolve this, in the proposed system shown in Figure 3, we recommend that the RSSs are a jointly agreed local and central government spatial strategy and vision for a region out of which key shifts and investments are identified and agreed to. These key shifts and investments then become the basis for implementation agreements. These implementation agreements will generally be between local and central government. By central government jointly agreeing to the RSSs, they are in turn committing to put in place funding solutions for Crown agencies and departments to deliver on the key shifts and investment priorities.

- 149.** In the Waikato, for every one dollar that local authorities invest in the region, central government spends approximately nine dollars. If government seeks to deliver genuinely transformative outcomes region by region across New Zealand and change from the status-quo of the current planning system, then the question should be asked, how do we leverage our investment to yield the maximum outcomes? The key to unlock this is to have all central government departments and agencies bought into, aligned and committed to a spatial planning process along with local government and other key stakeholders and enablers. There must also be an acknowledgement that it is not about producing a single plan, but that it is an ongoing project which morphs over time.
- 150.** The critical importance of the Implementation Plans becomes apparent when determining whether Regional Spatial Strategies will be successful. The creation and commitment of all parties to Implementation Plans is, in and of itself, a large undertaking. In addition to agreeing on the content of an RSS, the subsequent requirement to develop Implementation Plans with agreement from both central and local government, along with funding identification and commitment, will require significant time and resource. We can foresee the different funding processes and constraints of organisations being complex to navigate in order to deliver an Implementation Plan. Potentially these plans will require investment beyond administrative boundaries where funding is collected from, creating another layer of complexity and potentially conflict. Lastly, the fact that Implementation Agreements are not enforceable considerably negates their relevance and does not hold parties responsible for delivering on RSSs.
- 151.** The requirement for NBE Plans to only be “consistent” with their respective RSS within clause 97 is pointless. If RSSs are to be a worthwhile planning endeavour and achieve tangible outcomes, then their primacy in the planning hierarchy must be solidified. “Give effect to” is considered a more appropriate requirement to ensure this planning instrument is afforded sufficient statutory weight and is considered a key document in the planning hierarchy. The NBE will be a key implementation lever to enable the aspirations of the RSS hence the need to strengthen this connection.
- 152.** Similarly, the “give effect to” requirement should be reflected in corresponding statutes and plans such as the LGA and LTMA. Again, plans and strategies under these other statutes must report to RSSs and be subordinate of to fully realise the benefits of spatial planning. If these are not, there will be limited value in investing in an RSS exercise.
- 153.** We seek the broadening of Section 15, Part 2 of the SP Bill to include reference to “growth and development” to better reflect the content of s17-18. Currently Section 15 is predominantly concerned with environmental management; however, this is the role of the NBE plans in our view. RSSs, to be useful, need to take a more holistic lens focused on setting and enabling transformational outcomes to occur in regions.
- 154.** RSS have the potential to assist in the integration of land use, infrastructure planning and delivery. However, neither the SP or NBE Bills address the wider funding and financing constraints faced by local government. This is a dependency that needs to be addressed.
- 155.** Certainty of funding is necessary to ensure the success of RSSs and the delivery of these transformational outcomes. Current funding and financing tools available to local government are inadequate to deliver on region shaping infrastructure which RSSs will be required to contain (c 17). Relying on rates and development contributions alone is an outdated model and is subject to short term electoral cycles. We strongly support central government being a co-funder of ‘first resort’, rather than continuing with ad-hoc and contestable funding opportunities. However, we also propose alternate funding tools to enable local government to own a more active role in funding and delivering on their regional outcomes. To this end, we put forward and support four additional funding options:

- “Value capture” or “betterment tax”: this could be introduced as a subset of an environmental contribution under the NBE (refer Hamilton City Council’s submission on the NBE Bill). This should be applied to areas where urban growth is being enabled and infrastructure investment is to occur. The basis for the use of this funding lever is that an RSS will be identifying areas for future growth and investment, the market will respond accordingly, speculate, and land values are likely to rise. Part of this value uplift should be reinvested into the enabling infrastructure which will ultimately allow an area to develop.
- “Growth incentives rebate”: a return of GST to TLAs based on the proportion that new growth and population contributes to the GST. This funding can be used to invest in a region to support its continued growth. This lever incentivises the TLA and RPCs to adopt a pro-growth mindset, to support growth and development outcomes through their participation on RPCs and their funding of growth through LTPs.
- “Strategic Infrastructure Funding extensions”: Central government, through the LGA, could relax the debt servicing capacity benchmarks provided to certain TLAs in a region on a case-by-case basis in order to fund specific agreed key priorities and investments under their RSSs. These could be called ‘Strategic Infrastructure Funding extensions’ SIFEs. This debt would be underwritten/guaranteed by central government given the certainty of a) what it would be being used for and b) the benefits which it would deliver. Interest and capital repayments could be funded from a mix of the “growth incentives rebate” and general rates. Capital repayments could be supplemented by the value capture or betterment tax. We recommend that a general rate component should be spread across an entire region on a proportional basis, based on the economic, social, cultural, or environmental benefit which is being delivered.
- A fourth option to consider is the extended use and application of development contributions. Currently it is difficult to recoup infrastructure costs which extend beyond a given TLA. There is benefit to enabling the TLA which is delivering the infrastructure to recoup DCs beyond their TLA boundary from developments which are going to benefit from a certain infrastructure asset.

156. Turning now to Implementation Agreements. Hamilton City Council supports the concept of implementation agreements within clause 57. However, we are concerned that these are not enforceable. Their lack of enforceability a) risks non-delivery on the RSS and b) opens the opportunity for RSS decisions and actions to be relitigated with a new local or central government. This creates uncertainty, which is contrary to the purpose of an implementation agreement – to ensure implementation and action of responsibilities. Implementation agreements must extend beyond three-years, we recommend these extend at least 10 to align with LTPs and traverse election cycles.

157. Implementation plans, implementation agreements, LTPs and RLTF, should occur in parallel with the development of RSSs. The explicit need under RSS to identify key moves and investment between local government, central government and utility providers, will help ensure that Implementation Plans and funding agreements are more successful.

- 158.** It is our view that only high-level funding decisions should occur within the RSS process. These should be specifically clarified as those projects which meet a hurdle of being regionally significant, or sub-regionally significant for metro areas. We suggest guidance on this, for example, those “decisions that have a discernible economic, social, cultural and environmental effect beyond just one TLA”. Our intention with this is that, for example, 3 waters infrastructure that services a sub-region is part of the RSSs and implementation agreements. Conversely, local network infrastructure or assets to service just one TLA are excluded, unless they are going to give rise to “discernible economic, social, cultural and environmental effect beyond just one TLA”. An example of this would be a roading corridor which might be contained within one TLA, but which would unlock significant economic benefits reaching beyond the TLA.
- 159.** Planning aspirations under RSSs must be financially viable and sufficiently tested. The viability and willingness of parties to RSSs to fund the aspirations set out within are best tested at the time of their development, as is the case with LTPs. If RSSs are allowed to create unfunded aspirations and unfunded mandates their legitimacy will come into question because they will be seen to not deliver on their intended outcomes.
- 160.** The connection of RSSs to 30-Year Infrastructure Strategies is currently lacking and must be made, and these infrastructure strategies must be “give effect to” the RSS.
- 161.** On this basis, Hamilton City Council supports the provisions for implementation plans within clauses 52-56. As mentioned, we seek confirmation that ‘persons’ to be consulted with during the creation of implementation plans includes local councils and any other party who is likely to be affected by the implementation of the plan.
- 162.** It is important to note that even at the Future Proof scale, which is much smaller than the RSS for the Waikato Region, there have been significant challenges, with different areas and authorities having different issues, priorities, and agendas. Future Proof has taken over a decade to mature. Its development is ongoing and evolving as relationships bed-in and form, issues are defined and addressed, and new issues arise which the partnership then responds to. Initially the partnership was tasked with attaining sub-regional alignment regarding land use. This has largely been achieved, and then further refined through iterations of the Future Proof strategy in 2017, in 2020 as part of the Hamilton-Waikato Metropolitan Spatial Plan, and again in 2022 with the new Future Proof Strategy.
- 163.** The amount of time and work, in addition to ongoing relationship management, required to keep the Partnership successful cannot be underestimated. This will be orders of magnitude larger with the development of RSSs, and even more complex given the new layer of bureaucracy that is being created.
- 164.** Future Proof’s focus is now beginning to broaden to look additionally at implementation. This has manifested in the completion of several transport and three waters business cases to address how the sub-region will accommodate the forecast growth and service the agreed settlement pattern.
- 165.** The creation of a national spatial strategy would address some of the funding concerns by aligning national and regional planning priorities. As drafted, integration of RSSs shall only be required at the local and regional level.
- 166.** Implementation plans are required 6 months after the adoption of an RSS. Implementation plans will require the agreement of all persons responsible for delivering the RSS.
- 167.** We request that a process is provided for under sections 55-57 where Implementation Plan funding commitments fail that RSSs and Implementation Plans are revised accordingly. This is an important feedback loop in the plan making process.

168. Long terms plans are required to set out steps to implement the priority actions for which that local authority is responsible for under the RSS. Given the abovementioned concerns for RPCs and their limited relationship with local authority elected members, this requirement could be perceived as a mandate to fund projects that do not have the buy-in of those elected members and could prolong LTP discussions. This represents an unfunded mandate for which Hamilton City Council is opposed.

Recommendations

169. New funding tools should be provided to enable the outcomes sought through RSSs to be delivered. These include value capture; a growth incentives rebate; strategic infrastructure funding extensions; and a boundaryless DC model (explained above).
170. TLAs who are delivering regionally significant infrastructure should be enabled to collect development contributions beyond their TLA boundaries.
171. The linkages between the RSS and other plans should be strengthened as shown in Figure 3 where an RSS has direct linkages with LTPs, 30-year plans, RLTPs, and 3 Waters strategies.
172. Implementation plans must be enforceable based on a finalised RSS.
173. Implementation agreements must extend beyond three-years, we recommend these extend at least 10, to align with LTPs and traverse election cycles.

Further Information and Hearings

174. Should Parliament's Environment Committee require clarification of this submission from Hamilton City Council, or additional information, please contact **Blair Bowcott** (General Manager Growth), phone 07 838 6742 or 021 775 640, email blair.bowcott@hcc.govt.nz in the first instance.
175. Hamilton City Council representatives **do wish to speak** at the Environment Committee hearings in support of this submission.

Yours faithfully



Lance Vervoort
CHIEF EXECUTIVE

Hamilton City Council
Garden Place, Private Bag 3010, Hamilton

 /HamiltonCityCouncil

 @hamiltoncitycouncil

 07 838 6699

hamilton.govt.nz