



Submission by
The Employers and Manufacturers
Association (EMA)

to the
Environment Committee

on the
Spatial Planning Bill

January 2023



About the EMA

The EMA has a membership of more than 7,500 businesses, from Taupo north to Kaitaia, employing around 350,000 New Zealanders.

The EMA provides its members with employment relations advice and legal services from industry specialists, consulting services in HR, ER and Health and Safety, Collective Bargaining negotiation, a People Experience Practice and Advocacy at both Central and Local Government levels for its members to help their businesses and people businesses to grow.

The EMA also advocates on behalf of its members to bring changes in areas that can make a real difference to the day-to-day operations of our members including RMA reform, infrastructure development, employment law, skills and education, health and safety and export growth.

The EMA is also part of the BusinessNZ network.

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Please note the EMA wishes to appear before the Select Committee.

Introduction

The Employers and Manufacturers Association (EMA) welcomes the chance to submit on the Spatial Planning Bill (SP or Bill), one of three bills that will eventually complete the reform of the current, and no longer fit-for-purpose, Resource Management Act (RMA).

We will submit separately on the Natural and Built Environment (NBE) Bill that is also available for submissions at the same time as the SP Bill and will submit again on the third part of the reforms, the Climate Change Bill, when that is made available.

The EMA has long been in favour of reform of the Resource Management Act, and both individually and through its involvement with the Resource Reform Group (RRG), continues to support that reform.

It was our joint commissioning, with Property Council NZ and Infrastructure NZ, of the Environmental Defence Society's (EDS) report that proved the RMA was failing in its environmental protection role that provided the impetus behind the RMA reform movement. Those four organisations were later joined by Business NZ to form the RRG.

The EMA has a long-held view that despite its best intentions, the RMA acted as a significant handbrake on business growth, development and the provision of much-needed and too-long delayed critical infrastructure.

Our goals, and the goals of the RRG, were for replacement legislation that was less complex, easier to understand and navigate during consenting, faster and more efficient to meet the needs of the development, business and infrastructure communities (including housing and social infrastructure) and gave better protection to the environment – especially as the current RMA was visibly failing in that key requirement.

We want a system that is faster, more efficient, provides more certainty and protects the environment.

We support Government's initiative in finally tackling resource management reform and can see, if the new system works as designed and is implemented with a different mindset than we see currently, that the reforms could deliver on these goals.

But we also have some concerns and can see some potential conflicts and contradictions, that may affect the efficiency of the system and it is in seeking to help improve the bill and its stated outcomes that we make the following comments.

Issues

The EMA's concerns with the Spatial Planning Bill centre on the engagement and input into the Regional Spatial Strategies (RSS) process.

We are very supportive of the reduction from 100 district plans down to 15, and have long supported the use of spatial planning, as opposed to the often-ad hoc systems we see around the country now, to better plan for the growth and provision of infrastructure and services for our towns, cities and regions.

We have repeatedly put forward the view that the composition of the Regional Planning Committees (RPCs) that will develop those regional strategies (RSS) is too narrow, being limited to just Central and Local Government representatives and iwi.

In the Spatial Plan Bill, it is expected that the RPC will develop an engagement plan and consultation processes and **Clause 15** lists some of those groups to be consulted. That list does include many of the end users of the system, especially the business, development and infrastructure sectors. At the very least, they should be consulted, and that engagement should be early in the development of the RSS as they are the groups that are likely to be most affected for the long term by the provisions in the RSS.

But our view is that a representative/s of those sectors should be at the table in the development of the RSS.

The argument has been put forward by Government that these groups are not elected representatives. But nor will the bulk of the appointed representatives from Central and Local Government and iwi have been elected.

As we have seen with the Kaikoura Earthquake Recovery and the Auckland's Unitary Plan, fast and efficient outcomes have been the result of early engagement with end users of the planning development systems.

As raised in our submission on the NBE, **Clause 15** of the SP Bill and **Clause 32** of the NBE bill contradict each other on active engagement. The two bills should be consistent with the emphasis in both leaning towards early and meaningful engagement with affected end users.

The SP bill is acknowledging the need for a coordinated approach on funding of infrastructure by local and central Government and infrastructure providers but overlooks the contributions to funding from outside of those sources.

Widening the definition of infrastructure to include housing, office and retail development for example would deal with this issue. It's not uncommon in city deals used widely in Australia and the UK. For example, the Scottish Future Trust is partially funding a major retail and office precinct in central Edinburgh acknowledging that the precinct will be valuable central city infrastructure.

One of our concerns in the NBE Bill was the checks and balances applied to quite wide Ministerial powers in the Bill. This concern is shared in the SP Bill. The Minister has quite wide powers to set limits and national standards, but our view is that not enough flexibility is provided for regional variations and the Minister could step in and override those regional variations with the powers he has in the current SP bill.

Our view is that those powers would only be exercised in the RSS as well outside the National Planning Framework and that any such intervention would need to come early in the process of developing the RSS, so any required changes are signalled well in advance.

We also support Property Council NZ's recommendation to allow for out-of-cycle adjustments to a local authority's long-term plan to incorporate an RSS should implementation of actions in RSS fall outside the funding cycle of the long-term plan.

Perhaps that alignment could also be a focus in the 7-10 year implementation period of the new legislation as it gradually replaces the old around the country.

Finally, we also support the concerns raised by Business NZ about the potential loss of existing property rights and recompense for them.

Conclusion

The EMA is generally supportive of the intent of the two Bills to make the resource management system a more certain and more efficient system that achieves both better protection for our environment and better outcomes for the business, development and infrastructure sectors that deliver the crucial economic and social benefits that help our New Zealand society to thrive.

Those outcomes are what drove the formation of the RRG with us, Infrastructure NZ, Property Council NZ, EDS and Business NZ.

The 7–10-year time frame suggested for implementation and the switch in mindset required from those overseeing the system to a permissive viewpoint will require firm direction nationally, but must also allow for more flexibility at a regional level.

We see more engagement with those sectors implementing the new system as critical, particularly in the early phases of the RPCs and developing the Spatial Plans

We look forward to continuing to work towards an effective, efficient new resource management system.