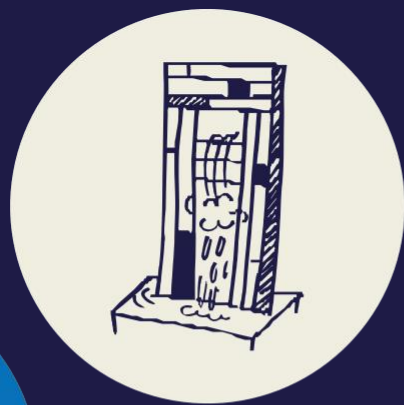


## **HAMILTON CITY COUNCIL SUBMISSION:**

# **Enabling Local Voice and Accountability in the Future Resource Management System - Proposal for Consideration (February 2022)**

Local Government Resource Management Reform  
Steering Group



10 March 2022



**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 the priority **'Shaping a green city'**.

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 supported by Hamilton City Council at its District Plan Committee meeting held on 10 March 2022 and approved by the Chief Executive (under delegated authority) on 10 March 2022.

Hamilton City Council Reference D-4104556 - submission # 679.

## Key Messages

1. Hamilton City Council would like to thank the Local Government New Zealand Steering Group on Resource Management Reform for the work they have done to develop the working paper *“Enabling local voice and accountability in the future resource management system: a proposal for consideration”*.
2. Hamilton City Council has previously identified significant concerns with elements of the current reform of the Resource Management system and has communicated these to central government through recent submissions on the exposure draft of the Natural and Built Environment Act, and the Ministry for the Environment Discussion Document on the Future of the Resource Management system.
3. Reform objectives for the future of the resource management system include improving system efficiency and effectiveness and reducing complexity, while also retaining local democratic input. Proposals setting out the shape of the reform have to date provided limited specificity on how local democratic input can be protected and retained through a region-wide approach to planning.
4. While Hamilton City Council agrees with the RM reform objectives, particularly those seeking to simplify and standardise processes, provide a more effective national direction, and reduce regulatory complexity, it has serious doubts that the proposed reforms will deliver on the intended objectives and questions whether wholesale change is the most effective way to achieve the objectives.
5. Notwithstanding this wholesale feedback provided to central government, Hamilton City Council recognises that a number of ‘in principle’ decisions have been made regarding the move to a regional approach to planning, and therefore supports the intent of LGNZ in identifying mechanisms that will ensure the preservation of local voice.
6. Hamilton City Council supports a range of avenues to enable local voice to be heard and for these voices to then be translated into higher order plans and strategies within the new RM Reform structures. Statements of community outcomes are one tool to achieve this among many. Current structures enable a range of formal and informal tools and channels for this community voice to be heard, and the new RM structures need to ensure these opportunities continue to be available.
7. Hamilton City Council supports National Spatial Strategies. We believe these offer a valuable tool to align central government agencies and funding priorities with regional and local level agendas and aspirations. Too often central government agency goals are divergent with one-another, arriving at a whole-of-government position on regional planning and investment would be beneficial. From a process point of view, these need to come ahead of lower-level plans and strategies.
8. As noted in 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 Section 10), Hamilton City Council believes the joint committee concept has a number of flaws. We believe the decision-making in this forum will be too far removed from local communities and will lack democratic accountability. We understand though that this part of the new RM Reform design is already settled, in which case we ask that careful thought is given to avoid the inefficiencies and that these joint committees retain a high-level of local democratic decision-making.
9. Effective implementation of these new RM Reform structures requires a range of levers working together in an integrated fashion. These include funding and financing tools, political champions who are accountable and who will drive implementation, legislative linkages, and an engaged community which can see their aspirations reflected in the plans.

## Previous Submissions made on Resource Management Reform

10. 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](#) and [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** - refer [here](#)
  - Hamilton City Council's 17 October 2019 submission to the June 2021 Discussion Document **Proposed National Policy Statement for Urban Development (NPS-UD)** - refer [here](#)
11. All submissions made by Hamilton City Council can be accessed [here](#)

## Enabling Local Voice and Accountability

12. Hamilton City Council has continued to advocate for the fundamental role of local government and local democracy in plan-making. Splitting out plan-making functions from local authorities in New Zealand represents a significant departure from the current role and function of local authorities and signals a more wholesale redesign of local government.
13. The concept of 'local voice' means that people have a way to articulate the aspirations, priorities and concerns that are important to them as a community at a local level. Representing local voice is a key function of local government and fundamental to the democratic governance of matters affecting communities. This is a key foundation underpinning the role and purpose of local government internationally. In the context of the RM reform, the issue arises in terms of how then local voice, aspirations, priorities and concerns are then reflected and enabled within plans across regional geographies.
14. Hamilton City Council agrees that local input is key to a stable and sustainable system that has democratic legitimacy in the eyes of those with whom those entities are established to serve. It is critical to put in place well thought out and workable processes through which local voice can be considered in regional plan-making. Any new system must also be efficient for the user, those engaging with it must feel their voices are heard and their issues responded to.

15. It is our view that, the creation of Planning Committees dilutes local representation during the plan-making process. Local councils are an effective conduit to understanding, reaching and reflecting community aspirations and desires in resource management. Under the proposed reforms, these connections appear to be significantly diluted.
16. In principle, Hamilton City Council supports the intent of the two mechanisms proposed by the LGNZ Steering Group to better enable local voice and accountability in the future Resource Management system, however, notes that the detail and mechanics of how these will work in practice needs further thought and refinement.
17. The development of a bottom-up mechanism established in the Natural and Built Environments Act (NBA) for local communities to be able to have their voice heard in development of natural and built environments plans (NBA plans) and regional spatial strategies (RSSs) is positive and should allow individual communities of interest to provide local flavour.
18. The second proposal, to develop a top-down National Spatial Strategy to sit alongside the National Planning Framework, also aligns with the feedback that Hamilton City Council has provided regarding the need for central government to align its priorities, planning, work programmes, and funding to give effect to the joint plans and strategies in the new system.
19. Hamilton City Council would caution that the proposals put forward by the LGNZ Steering Group may have the unintended consequence of increasing the complexity of the new planning system by adding additional requirements, but this needs to be weighed up against the need to maintain local voice, local democracy and accountability if the broader RM Reform planning frameworks are to be advanced as proposed.
20. The ongoing reform of the local government sector will have a significant impact on how these proposals will play out, noting that the future form and function of local government is highly likely to change. A joined-up and holistic approach to the role and functions of local government, including RM Reform, is favored over the current ad hoc approach. At the heart of this must be clear issues for which any review and consequential institutional and legislative re-design is trying to overcome.

## Statements of Community Outcomes

21. Hamilton City Council is supportive of the intent to identify mechanisms to ensure that local voice and aspiration is clearly embedded in the new Resource Management system.
22. The proposed bottom-up mechanism of Statements of Community Outcomes (SCOs) is good in theory, however Hamilton City Council notes that councils (in conjunction with their partners) have often undertaken significant planning work that could better fulfill this role and be incorporated into the development of NBA plans and RSSs.
23. Hamilton City Council supports that the method for providing local voice should not be limited to a legislated 'statement of community outcomes' but could also include local spatial and/or other planning documents. In the Hamilton context, the recent work through the Future Proof Partnership to develop and embed the Metro Spatial Plan in Resource Management documents is a good example.
24. This work clearly identifies a shared, long-term vision (set out spatially) for the future of the metro area. This is a much more tangible statement of the desired future for the sub-region than might otherwise be developed if a new and additional process is required to be undertaken to develop a statement of community outcomes.
25. Also of relevance is the current approach to identifying and using community outcomes in the development of council long-term plans. These community outcomes are the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental, and cultural well-being of its district or region. These generally take the form of high-level statements that do not always lend themselves to articulating a clear spatial direction.

26. For example, Hamilton's current community outcomes are:
- A city that's easy to live in.
  - A city where our people thrive.
  - A central city where people love to be.
  - A fun city with lots to do.
  - A green city.
27. Underneath these outcome statements, our Long-Term Plan (LTP) then aligns our investment in projects to give effect to these and does not necessarily translate into the long-term desired future form for a geographical area.
28. The current use of community outcomes for the purpose of developing a LTP has the potential to add a layer of confusion should these also form the basis of the proposed 'statement of community outcomes' that feeds into the development of new Resource Management Plans.
29. Smaller scale planning exercises such as neighborhood and town center planning should not be lost. These help to translate community aspirations for their place into tangible planning outcomes which in turn inform future district plans and funding decisions. These are key 'non-statutory' planning tools and processes which provide significant voice and local insight to these communities which in turn inform the plan-making process.
30. Hamilton City Council is of the opinion that for 'statements of community outcomes' to be useful in a spatial planning and land use context, they need to be identifying areas suitable for development; areas that should be protected; areas that require infrastructure; and areas that are vulnerable to climate change effects and natural hazards, and outcomes for the natural and built environments. This again reinforces the usefulness of the work already undertaken on a metro scale for Hamilton and the surrounding areas.
31. We note the recommendation from an efficiency point of view, and to make the joint committee and secretariats' reconciling roles manageable, that it would be preferable for councils to create consolidated SCOs which draw on other planning documents as is deemed appropriate.
32. This presents a challenge for local government to resource an entirely new strategic planning process. There appears an inherent likelihood given the arms-length nature of these SCOs from the joint committees and the lack of democratic voice on the joint committees, that the communities voices will be lost, not reflected, or take too long to materialize in terms of on-the-ground outcomes. This runs the risk of further disenfranchising the communities from the bureaucracy and plan-making process.
33. In terms of the legislative mandate for local input, Hamilton City Council supports that the RSS and NBA plans would need to 'give effect to' the content of local SCOs (or whatever the final form of local input ends up being). Anything less than 'give effect to' would lessen local confidence in the new legislation and planning system.

## National Spatial Strategies

34. Hamilton City Council is supportive of the proposal to introduce spatial planning into the new resource management system, and for central government agencies to participate in decision-making on RSSs. This collaboration between local and central government, and Iwi, has been successful through the Future Proof Partnership.
35. However, Hamilton City Council shares the Steering Group's concerns that central government agency priorities for regions are often misaligned, and we need to avoid a situation where central government agency participants on joint committees fail to come to the table with a coherent central government view on the outcomes it seeks to achieve for a region (or multiple regions).

36. We agree that a National Spatial Strategy could provide a coherent, spatial view on the Government's priorities, particularly in relation to Crown investment in a region. This would help ensure that all parties to the new NBA plans and RSSs have buy-in and therefore increase the likelihood of implementation.
37. Hamilton City Council would like to highlight that although a national spatial strategy should provide clarity, the ability for this to be developed in a timely and integrated fashion may be challenging.
38. We believe a national spatial strategy needs to be developed in advance of the preparation of NBA plans and RSSs. We acknowledge this would add additional time when transitioning to a new system, but it would provide the sequential cascade of plan development.

## Role and Makeup of the Joint Committee

39. Hamilton City Council has concerns that the shift to joint committees will result in the loss of local democratic decision-making and input into the plan-making process. Associated with this we believe that local voices could be lost as there will be a blurring of the line of sight to the locally elected member and the planning process.
40. Overall, we see this as an inefficient and undemocratic form of planning and plan-making. Planning (and for that matter the provision of services) is best delivered closest to the person or community for which it relates. This allows community participation, a higher level of local involvement and buy-in and self-determination for that local community.
41. From experience with combined planning processes in the Waikato between local authorities, resourcing and management is a key constraint and can be an issue. Joint committees and the supporting secretariats are likely to become unwieldy and expensive to run.
42. Partner local authorities rightly become skeptical when large sums of money are being contributed to arm's length agencies for which they have little to no influence over and limited visibility of the how their money is being spent. These types of arrangements are inherently expensive to run, create accountability issues and lead to inefficient spending and wastage. This leads to discontent, lack of buy-in at a staff level and ultimately poor political buy-in among civic leaders whose role it is to champion the implementation of these plans. The proposal that joint committees should be autonomous further worsens this situation and heightens the risk of implementation failure.
43. Again, we understand that an 'in principle' decision has been made to progress with the move to a Joint Committee structure. In this case, Hamilton City Council strongly supports that **all councils** need to be represented on the Joint Committees for both RSSs and NBAs – it is unlikely that there will be any support for a process that excludes any local government entities, especially as we interpret that councils will be responsible for implementation.
44. Hamilton City Council notes that MfE officials are still working through the issue of whether there will be separate JCs for RSSs and NBA plans. Hamilton City Council supports the Steering Group's preference for a single JC that sits across both the RSS and NBA plan for a region (with central government representatives brought in for matters relating to the RSS).
45. We agree that a single JC will help to:
  - Ensure the RSS and NBA plan are integrated.
  - Better reflect the current capacity of the resource management system.
  - Help to drive and embed the culture change that will be needed across the new RM system.



46. We note that any decisions made by JCs will need to be informed by robust technical evidence. We think the interaction of technical staff and political decision makers needs to be thought through in more detail.
47. We strongly suggest that councils should be mandated to provide input into RSSs (and NBAs) before they are finalised. Any less would compromise local buy-in or support.
48. We support that both the RSS and the NBA will require robust public consultation processes – these details need to be developed before we can comment further.
49. Hamilton City Council agrees that there is a significant risk of intra-council conflicts at the JC level, and this may undermine the Government’s dual objectives of efficiency and ensuring local democratic input.
50. From our experience (Waikato Plan, Hamilton 2 Auckland, Waikato Metro Spatial Plan), these are significant undertakings, and having the right people and the tools with delegated authority to act in the collective regional interest is vital. There is also the very real factor of the end-product reflecting a series of compromises to get each party over the line. This posed a significant challenge for the Waikato Plan exercise and resulted in trade-offs between the local authorities, a blurring of what the plan was intended to achieve and ultimately diluted its value.
51. There is a significant amount of technical and relationship work that goes on ‘behind the scenes’ to operate effectively across regions.

## Implementation

52. We are supportive of the focus on looking at implementation as this is one of the biggest gaps we have identified in the proposed process. Implementation the Waikato sub-region predominantly revolves around funding. We note that the RM reform is not addressing this at all which we argue is missed opportunity.
53. Certainty of funding is required, with access to central government funding simplified. Current funding and financing tools provided to local government are inadequate to deliver on region-shaping infrastructure which RSSs are likely to identify. We strongly support central government being a co-funder of ‘first resort’ rather than continuing with ad hoc and contestable funding opportunities such as ‘shovel ready’ or the ‘IAF’.
54. There are also a number of unanswered questions related to funding and investment including:
  - It is intended that these agreements will connect key private and public parties and sequence infrastructure - how do private investors get locked into the plan or agreement?
  - Is there any change to how funding is allocated by the partners to each agreement?
  - Are commitments made in the implementation plan taken back to each partner to be re-debated in their individual funding rounds?
  - The work required to get detailed funding and timing/scope for large infrastructure projects is significant – how will this be developed? For example, if each party is to commit to funding – who does the work to determine the actual cost of the projects? Or is a commitment made with recognition that costs will be finalised as the project is developed?
  - What is the cost sharing arrangement? Or is that negotiated for every individual project and plan?
  - Does putting the specific detail from the RSS into the implementation plan and subsequent agreements actually make the implementation parts more critical and useful?



- Does having implementation plans at a regional scale, and then implementation agreements at smaller scales add additional layers of work? Who prepares these? Are they essentially joint Long-Term Plans (LTPs)?
  - Does this process create an entity solely in charge of developing and tracking implementation agreements?
55. For councils to align their LTP and Infrastructure Strategy funding with the RSS, elected members will need to have 'bought in' to the strategies and their outcomes otherwise implementation is unlikely to occur as anticipated. For individual councils, this means more than being able to comment on draft RSSs through a consultative procedure. Elected members will view themselves as the conduit between the community and these regional strategies and will want to feed into them.
  56. Additionally, more detailed thinking is required about how RSSs are given effect to within existing LGA planning and funding processes. For example, LTPs and infrastructure strategies and the powers of local elected members to develop and consult on these.
  57. Funding cycles will need to be aligned across central and local government agencies along with clarity with respect to the linkages. For example, council LTP timing does not align with National Land Transport Plan (NLTP) preparation or timing, Regional Land Transport Plans (RLTPs), central government funding of health and education. If these new RSSs (and NBA plans) are introduced, careful thought needs to be given on hierarchy, order and timing of how everything fits together across the Land Transport Management Act (LTMA), LGA, SPA, and NBA.
  58. We note that RSSs are not going to be binding but act as a guide for NBA plans. This is concerning if central and local government invest significant time and resource into these plans and they have no real weight. This heightens the risk of implementation failure and in turn disenfranchising the community if they contribute to a plan that doesn't come to fruition. We recommend officials revisit the lessons learned in Auckland during the 1990s with respect to the Auckland Regional Growth Strategy and the failed attempts to align the seven local authorities.
  59. Early indications are that these RSSs will be relatively high level in nature and will not be planning at a parcel level, this will be left to the NBAs. However, at the same time it is envisaged that the RSSs will be setting the funding priorities. In our view this will be significantly challenging.
  60. It is our view that only high-level funding discussions can meaningfully occur at the RSS stage. Robust funding discussions and decision-making are best had at an LTP level. These would ideally follow the land use plan and the cyclical relationship between the two would be strengthened.
  61. Only at the time that land use plan/zoning (NBA) is arrived at that is there sufficient certainty and understanding of funding supply and funding need to align to the land-use. This then provides the required certainty to the local authority to carry out the detailed planning, make funding provision with their Annual Plans and LTPs, and ultimately borrow and deliver, knowing that there is a high degree of certainty that they will be able to recoup some of the capital cost of infrastructure.

## Staffing and Resourcing Challenges

62. Hamilton City Council agrees that resourcing regional plan-making (including secretariat staff) is likely to centralise planning staff away from local councils towards regional main centres. Over time, this risks leaving local councils with only minimal planning and consenting staff, exacerbating existing staffing challenges already faced by small and/or remote councils.
63. We support the recommendation that consideration be given to developing a workforce plan, to identify the long-term resourcing and skill needs, and help support implementation.

## Further Information and Opportunity to Discuss Our Submission

64. Should the Local Government Resource Management Reform Steering Group require clarification of the submission from Hamilton City Council, or additional information, please contact **Mark Davey** (City Planning Manager - Growth Group) on 021 242 8024, email [mark.davey@hcc.govt.nz](mailto:mark.davey@hcc.govt.nz) in the first instance.
65. Hamilton City Council would welcome the opportunity to discuss the content of our submission with the Local Government Resource Management Reform Steering Group in more detail.

Yours faithfully



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