

Office of the Minister for the Environment

Chair

Cabinet Business Committee

Phase Two of the Resource Management Reforms – urban and infrastructure planning and general issues

Proposal

1. This paper provides an update on the Urban and Infrastructure work streams of Phase Two of the resource management reforms and seeks approval to an ongoing work programme in these areas. It also provides an update on progress across the full Phase Two programme.

Executive summary

2. In December 2008, the Government initiated a two-phase programme of reform for resource management in New Zealand. Phase One resulted in the 2009 amendments which focused on simplifying and streamlining processes under the Resource Management Act 1991 (RMA). These reforms have already begun to make a difference but their full impact is yet to be felt.
3. Phase Two of the resource management reforms (RMII) involves more complex changes, focusing on particular sectors' issues and better interaction between the RMA and other statutes. Cabinet agreed that the primary objective of RMII is to achieve least-cost delivery of good environmental outcomes [CAB Min (09) 13/2 refers].
4. Real progress has already been delivered in several areas of RMII:
 - a Bill to reform the current restrictive laws around aquaculture management is due to be reported back from Select Committee in May, and is likely to come into force later this year;
 - the EPA is being established as a standalone Crown agent on 1 July 2011 to provide efficient, effective and transparent central coordination of environmental regulation;
 - the Fresh Start for Freshwater reform package has been announced, which will include a National Policy Statement (NPS) on Freshwater Management; and
 - a Bill which will significantly improve the efficiency of the archaeological authority consenting processes and reduce duplication with resource consents is due to be introduced shortly.
5. In January 2010, I established two technical advisory groups to provide advice on urban planning and infrastructure issues, respectively, which reported their recommendations to me in July 2010. In October 2010, the Ministry for the Environment released a discussion document (*Building Competitive Cities*) for eight weeks of public consultation until December 2010 [CAB Min (10) 36/2 refers]. The two technical advisory group reports were also made available at this stage.

6. A range of stakeholder meetings and four hui were held during and alongside the formal consultation period. Key themes from the submissions included:
 - support for simplifying the planning system but recognition that it will always be complex;
 - recognition that central direction is valuable and could be used more and to better effect; and
 - recognition that legal links are required between spatial plans and RMA plans to be effective.
7. The Auckland Council is currently developing the first Auckland spatial plan, and intends to adopt it in December 2011. Central government has taken an active role in engaging with the Auckland Council on the development of the plan.
8. Currently, the Auckland spatial plan has no legislative links with other plans or implementation tools. I intend to report back to Cabinet in early 2012 with recommendations which will focus on reducing duplication in the number of plans, ensuring that appropriate legislative weight is given to the Auckland spatial plan, and clarifying the processes for public participation and appeal rights.
9. I intend to scope out the potential for a NPS to address issues such as urban design and affordable housing, and report back to Cabinet in September this year.
10. I also intend to seek Cabinet decisions in early 2012 with recommendations for the Urban and Infrastructure work streams of RMII. Broadly, these will focus on:
 - *Central government direction*: I consider that there is a need for increased central government direction to reduce avoidable costs due to local variation, and that there is a need for more effective and transparent use of instruments to achieve this.
 - *Urban planning*: I am concerned that there are practice issues and possible legislative barriers to achieving effective urban development, and I am recommending that further work be carried out to identify practice improvements.
 - *Infrastructure*: I consider that there is a need for improvements to the approvals process for infrastructure projects under the RMA; in particular designations, resource consents, and addressing the complexities of the process for projects that involve both the RMA and the Conservation Act 1987 concessions process.
 - *Public Works Act 1981*: the Minister for Land Information and I consider that clarifying information around Public Works Act (PWA) processes, and some improvements to the land acquisition and compensation process, will provide increased efficiency and certainty for infrastructure projects.
11. I also intend to report back to Cabinet at this time with:
 - Initial advice on spatial planning outside of Auckland. I consider that how best to achieve this should be considered alongside the *Smarter Government, Stronger Communities* review of the system of local government previously considered by EGI [EGI Min (11) 1/11 refers] and agreed to by Cabinet [CAB Min (11) 4/5 refers];
 - A number of other specific issues that sit within the Generic work stream of RMII, including options to address the complexities of the process for projects that involve both the RMA and the Conservation Act 1987 concessions process;

- Collaborative planning mechanisms to achieve improved plan development under the RMA, in particular private plan changes; and
 - Options to achieve efficient and improved participation of Māori in resource management processes.
12. Consultation may be required on some of these issues. Cabinet approval will be sought where required.

Background

13. In December 2008, the Government initiated a two-phase programme of reform for resource management in New Zealand. Phase One resulted in the 2009 legislative amendments which focused on simplifying and streamlining processes under the Resource Management Act 1991 (RMA). These measures were brought together in the Resource Management (Simplifying and Streamlining) Amendment Bill 2009, which passed its second and third readings on 8 September 2009. The Act came into effect on 1 October 2009.
14. The impacts of the reforms introduced in the Resource Management (Simplifying and Streamlining) Amendment Act 2009 have already begun to make a difference but their full impact is yet to be felt. This is particularly true for the benefits likely to be delivered through the establishment of processes for proposals of national significance to be referred to a board of inquiry or directly to the Environment Court.
15. Although the benefits of these proposals are beginning to be realised, they are not reflected in the historical data and experience with infrastructure projects that has formed the evidence base for the analysis carried out to date in Phase Two of the Resource Management Reforms (RMII).

Phase Two of the Resource Management Reforms

16. At the time of the 2009 Bill, I identified that there were more complex issues that could not be addressed so quickly. These were grouped together to form RMII. RMII initially involved ten discrete but connected work streams [CAB Min (09) 13/2 refers]. A further work stream, Māori Participation, was added at a later stage [CAB Min (10) 36/2 and CAB Min (10) 44/5 refer].
17. Cabinet also agreed that the primary objective of RMII is to achieve least cost delivery of good environmental outcomes and that this includes [CAB Min (09) 13/2 refers]:
- a. providing greater central government direction on resource management;
 - b. improving economic efficiency of implementation without compromising underlying environmental integrity;
 - c. avoiding duplication of processes under the RMA and other statutes; and
 - d. providing for efficient and improved participation of Māori in resource management processes.
18. Real progress has already been delivered in several areas, including aquaculture reform, establishment of the EPA, freshwater reform and the streamlining of archaeological consenting processes. The table below summarises the progress across each work stream of RMII.

Table 1 Progress on individual RMII work streams

Work stream	Description	Progress to date
RMII-a	Addressing barriers to sustainable and cost-effective aquaculture development	Aquaculture Bill due to be reported back from Select Committee during May
RMII-b	Alignment of consenting processes under the RMA and the Building Act 2004	Initial proposals have been taken forward under the Building Act reforms
RMII-c	Alignment of consenting processes under the RMA and the Conservation Act 1987	Work on options for reform is ongoing. Report back to Cabinet with recommendations in early 2012
RMII-e	Further development of the scope, functions and structure of the EPA	EPA Bill passed second reading in April 2011. Standalone Crown agent to become operational on 1 July 2011
RMII-f	Alignment of consenting processes under the RMA and the Forests Act 1949 and Forests Amendment Act 1993	An analysis of the issues was carried out, and they were not considered significant enough to warrant options for reform. Therefore, this work stream was not progressed
RMII-g	Investigating generic issues in the RMA that were too complex to be dealt with in Phase One	Work on options for reform is ongoing
RMII-h	Alignment of consenting processes under the RMA and the Historic Places Act 1993	Heritage New Zealand Pouhere Taonga Bill to be introduced to House shortly
RMII-i	Improving infrastructure provisions, including the application of the Public Works Act 1981	Work on options for reform is ongoing. Report back to Cabinet with recommendations in early 2012
RMII-m	Exploring options for increased Māori participation in resource management processes	Work on options for reform is ongoing. Report back to Cabinet with recommendations in early 2012
RMII-u	Exploring better approaches to urban planning	Work on options for reform is ongoing. Report back to Cabinet with recommendations in early 2012
RMII-w	Establishing a fairer and more efficient water management system	Package of reforms announced in May 2011. NPS for Freshwater Management to come into effect in July 2011

19. The Ministry of Fisheries has been leading work on an aquaculture reform Bill which is due to be reported back from Select Committee during May, and should come into force later in 2011. This will reform the current restrictive aquaculture management legislation that is preventing the sector from reaching its full potential.
20. Significant progress has been made on establishment of the Environmental Protection Authority as a Crown Agency. The EPA is intended to provide efficient, effective and transparent central coordination of environmental regulation. The Environmental Protection Authority Bill passed its second reading on 12 April 2011, and the new standalone Crown agent is expected to become operational on 1 July 2011.
21. Significant progress has also been made in freshwater reform with the announcement of the Fresh Start for Fresh Water reform package. The first steps of this package include the NPS for Freshwater Management which is due to come into effect on 1 July 2011, an irrigation infrastructure fund overseen by the Ministry for Agriculture and Forestry, and the Fresh Start for Fresh Water fund to clean up historically contaminated bodies of water.

22. The Ministry for Culture and Heritage is working through the final drafting stages of the Heritage New Zealand Pouhere Taonga Bill, to be introduced to the House shortly. This Bill will significantly improve the efficiency of the archaeological authority consenting processes and reduce duplication with the RMA by, among other things, reducing the costs of applications and aligning timeframes for progressing resource consents and archaeological authorities.
23. The individual work streams have been taken forward at different paces and are now at different stages of analysis, recommendation and implementation. I envisage that analysis on RMI work streams will continue into 2012 and further legislative reform will be considered as part of that work.
24. This paper provides an update on progress on the Urban and Infrastructure work streams and some other elements of the RMI work programmes, and seeks approval for further work to progress these.
25. I also propose to continue work on the water work stream, with some freshwater policy decisions likely to be made this year and recommendations for legislative change in 2012.

Urban and infrastructure planning: RMI-u and RMI-i

26. I established two technical advisory groups in January 2010, one to provide advice on urban planning and the other on infrastructure issues. The Urban Technical Advisory Group (UTAG) and the Infrastructure Technical Advisory Group (ITAG) reported their recommendations to me in July 2010. In October 2010, the Ministry for the Environment released a discussion document (Building Competitive Cities) for eight weeks of public consultation until December 2010 [CAB Min (10) 36/2 refers]. The two technical advisory group reports were also made available at this stage.
27. In considering the submissions, my officials have brought together the two work streams of Urban and Infrastructure. Considering the two work streams together better reflects the critical role that infrastructure plays in supporting urban areas and connecting them to the rest of the country, and the pressures that urban environments can create for infrastructure investment. It has also allowed officials to identify issues common to both work streams. However, I would like to note that I recognise that infrastructure also plays a vital role in rural areas.
28. In investigating changes to urban planning, Cabinet also asked for improvements to:
 - links between housing affordability and land supply;
 - integrated growth management and infrastructure development; and
 - the quality of outcomes delivered by urban design and urban planning.

Comment

29. The table below summarises the ongoing work programme for the Urban and Infrastructure work streams of RMI. It also summarises the forward work programme for the alignment of Conservation Act 1987 and RMA processes, and Māori participation in resource management processes.

Table 2 Summary of ongoing work programme

Area of work programme	Summary of ongoing work programme
Spatial planning	Reducing duplication in the planning system and ensuring appropriate legislative weight is given to the Auckland spatial plan; providing supporting information for spatial planning, with a particular focus on Auckland initially; initial advice on the role of spatial planning outside Auckland
Urban planning	Improving practice across urban planning; consideration of legislative and non-legislative options including guidance, including the potential for an NPS on issues such as urban design and affordable housing
Infrastructure projects	Improvements to designations; options for improvements to the efficiency of land acquisition and compensation processes under the Public Works Act 1981; options to align the approvals processes under the Conservation Act 1987 and the RMA
Central direction	Developing a framework for the use of RMA tools to increase regulatory certainty and reduce costs
Other	Progress on options to achieve efficient and improved participation of Māori in resource management; collaborative planning for plan development under the RMA

30. I propose to report back on the potential for NPS by September 2011 and on the rest of this work programme by March 2012.

Implementing Auckland's spatial plan

31. The Local Government (Auckland Council) Act 2009 (LG(AC)A) requires the Auckland Council to develop a spatial plan. The spatial plan is intended to set the strategic direction for the region and serve as the basis for the co-ordination of decision-making on infrastructure, services and investment across multiple parties and interests.
32. The Auckland Council is currently developing the first Auckland spatial plan, which it intends to adopt in December 2011. Central government has taken an active role in engaging on the development of the plan.
33. Currently, the specifics of Auckland governance as set out in the LG(AC)A mean effort should be applied towards realising the benefits anticipated from spatial planning in Auckland. Whether the benefits of a spatial plan are realised rests largely on whether implementation tools are fit for purpose and directed by the overarching strategy. I consider that the use of these tools needs to be consistent with the direction of the spatial plan, and should not duplicate or reopen discussions about strategic direction. Therefore, reform is likely to focus on ensuring effectiveness of the planning system and addressing the following issues:
- reducing duplication (and therefore costs) through streamlining and simplifying Auckland's planning system, and reducing the number of plans;

- ensuring that appropriate weight is given to the Auckland spatial plan in relation to implementation tools across the Local Government Act 2002 (LGA), Land Transport Management Act 2003 and the RMA, and individual project decisions, to avoid duplication of consultation effort and the risks of re-litigating an already agreed strategy; and
 - the role of public participation and appeal rights.
34. The Auckland Council intends to adopt the first Auckland spatial plan in December 2011. Therefore, any reform to the planning framework in Auckland will need to address:
- whether provisions relating to the influence of the plan will apply to the first Auckland spatial plan or subsequent versions of the plan;
 - the nature of the relationship between the first Auckland spatial plan and existing RMA plans, and other central government plans and policy statements; and
 - clarification of the legal relationship with the Auckland unitary plan, which is scheduled to be notified by the Auckland Council in mid 2013.

I have asked my officials to look at whether transitional arrangements will be needed to ensure continuity.

35. I am also recommending that my officials make available supporting information for spatial planning, in conjunction with other relevant government agencies and Auckland Council. I expect this information to draw on international experience and consider its applicability to New Zealand, as well as on Auckland's experience. In the first instance this information will focus on issues relevant to Auckland; however, it will still be applicable to other regions that have voluntarily included elements of the spatial planning model in their strategic plans. It will evolve over time to reflect any future Cabinet decisions on the role for spatial planning outside of Auckland.

Spatial planning outside Auckland

36. The requirement to produce a spatial plan does not apply outside of Auckland, but the general empowering provisions of the LGA enable other regions and districts to develop spatial plans in a voluntary capacity.
37. My intention is that eventually all of New Zealand should be able to benefit from a simplified and more integrated planning system. I consider that how best to achieve this should be considered alongside the Local Government Review previously agreed to by Cabinet [CAB Min (11) 4/5 refers], drawing on the analysis and recommendations from this package of reforms. That way, governance and planning issues can be considered side by side.
38. To that end, I recommend that my officials, in consultation with officials from the Department of Internal Affairs and other relevant agencies, develop advice on the role of spatial planning outside Auckland alongside the *Smarter Government, Stronger Communities* review of the system of local government.

Greater Christchurch planning framework

39. The planning framework proposed for the rebuilding of the greater Christchurch area under the Canterbury Earthquake Recovery Act 2011 draws on elements of the spatial planning model. A Recovery Strategy that is broadly analogous to a

spatial plan will be developed by the Christchurch Earthquake Recovery Authority in consultation with local authorities. The Recovery Strategy will set the overall direction for the recovery efforts; underneath the Recovery Strategy will sit a series of more detailed Recovery Plans that will set out the detail of what needs to be done and how it will be implemented. This creates a parallel planning framework to that outside of Christchurch that will need to be taken into account when considering the role of spatial planning outside of Auckland.

Urban and infrastructure planning

40. I have also considered the RMA's role in the planning system for urban areas and infrastructure, focusing on three central issues:
 - a. central government direction;
 - b. planning for urban areas; and
 - c. designations for infrastructure projects.
41. In addition, the Minister for Land Information and I have considered the land acquisition and compensation processes for infrastructure projects under the Public Works Act 1981 (PWA).

Central government direction: variation in local plans

42. A framework enabling variation in planning is desirable to respond to differences in local conditions or to express local communities' views and preferences. The RMA supports this by devolving much of the responsibility for resource management to local government. However, in some cases, the local benefits of variation in planning are outweighed by the national benefits, including reduced compliance costs through greater consistency in rules or approaches. Variation can therefore impose avoidable costs on local authorities, infrastructure providers and firms. The national costs of variation are not always apparent locally.
43. The RMA provides a number of ways for central government to influence or direct planning, including the use of tools with regulatory effect, and non-regulatory tools including best practice guidance. Historically, these tools have not been used extensively or for consistent reasons.
44. I consider that there is a need for central government to be more effective and transparent in its use of these instruments. This is one of the issues I intend to report back on in early 2012. The package of options is likely to focus on:
 - using instruments available under the RMA to introduce consistent approaches where appropriate; and
 - increasing transparency around the use of such tools to support greater certainty and reduced costs.

Planning for urban areas

45. Urban areas are where 85% of New Zealanders live and are significant contributors to economic activity, particularly productivity. The success of these areas is dependent on policies and investments that provide for and respond to changing needs and values.
46. Current practice under the RMA does not always adequately recognise the importance and particular characteristics of urban areas, and the fact that they are

built to deliver economic, social and cultural benefits. Instead there is often a focus on managing adverse effects with a view to protecting the status quo.

47. This can lead to increased opportunity costs at a regional level as the social, economic and environmental benefits of development at a sub-regional or regional level are foregone. For example, the refusal of a proposal to develop additional houses due to adverse effects at the neighbourhood level may increase pressure on housing supply at a sub-regional or regional level.
48. This is one of the issues I intend to report back on in early 2012. My proposals for reform are likely to focus on improvements to practice under the RMA rather than legislative amendments, and will consider the role of both regulatory tools, such as an NPS, and non-regulatory guidance. I have asked my officials to consider the scope of a potential NPS to address issues such as urban design and affordable housing.
49. I am also concerned that there are other practice issues and possible legislative barriers to achieving effective urban development and I am recommending that further work be carried out to identify practice improvements, including consideration of how a range of other tools work in concert with each other, for example development contributions and regulatory plans under the RMA. This work should draw on the experience and expertise of other government departments, Crown entities, local government, especially the Auckland Council, and other non-government stakeholders, as well as on international experience.

Designations for infrastructure projects

50. As set out above, the benefits of the Phase One amendments for nationally significant proposals are only just beginning to be realised. I remain confident that these will deliver real improvements in efficiency and increased certainty for infrastructure projects.
51. Under the RMA, land can be designated for public works or network utilities by requiring authorities. These authorities can be Ministers of the Crown, local authorities and private sector network utility operators approved under the RMA. I consider that, in general, the designations system functions well. In some respects, however, inefficiencies in the approval processes create unnecessary costs and delays in realising the benefits of infrastructure. Inefficiencies are particularly evident in uncertainty about the level of information that is required in notices of requirement for designations and outline plans of work. This is one of the issues I intend to report back on in early 2012. Options are likely to focus on clarifying the nature and detail of information required in notices of requirement and outline plans.

Safeguards for use of designations

52. The inappropriate use of designations powers is rare. However, should misuse occur, I consider it important that safeguards exist to address this promptly and appropriately. My officials are considering a range of safeguards to address this.

Public Works Act 1981

53. The PWA compulsory acquisition provisions are used infrequently. In approximately 90 per cent of all cases, agreement is reached with landowners on the acquisition of land and the level of compensation to be paid. The incidence of problems with the PWA is therefore rare.

54. A solatium payment under the PWA is made to compensate landowners for disturbance and interference when homes are acquired. The amount of this payment has not changed since it was set in 1975. The Minister for Land Information and I consider that equity issues require consideration of an adjustment to the amount of the solatium payment to satisfy its purpose as a home-loss payment and assist in encouraging vacant possession.
55. As a result of current practice by acquiring authorities and their suppliers to achieve negotiated settlements, the process for land acquisition under the PWA is not as efficient as it could be for acquiring authorities or land owners. The Minister for Land Information and I have asked officials to provide advice on options to improve the efficiency of land acquisition and compensation processes.

Joint concessions and resource consenting

56. Infrastructure projects requiring both a concession under the Conservation Act 1987 and resource consents under the RMA must submit two similar sets of information, and can face potentially lengthy delays. This creates an inefficient environment for obtaining the necessary approvals.
57. I propose that additional work is carried out on options to address this issue, with a report back to Cabinet in March 2012. This work could consider a joint approvals process for nationally significant projects (for concessions under the Conservation Act 1987 and resource consents under the RMA).

Generic issues

58. Other work under the 'Generic' work stream has focused on more operational policy matters. Submissions on the *Building Competitive Cities* discussion document highlighted a number of these issues, which my officials will address where possible as they apply to the work areas described above.

Other issues – collaborative planning and re-consenting

59. Submissions on the Building Competitive Cities discussion document highlighted the issues around balancing provision for and incentives to private investment in growth with the public interests and role in decision-making.
60. I have asked the Ministry for the Environment to consider how the RMA operates for investors who are granted consents to use resources for a finite period. Work will focus on the 're-consent' process that investors must follow when the term of a consent expires, and whether any improvements are needed to the process. The process must ensure an appropriate balance is maintained between promoting investment certainty for consent holders and ensuring sustainable and appropriate resource management and usage.
61. Submissions also showed support for a more collaborative approach to planning in appropriate circumstances. A collaborative planning approach could ensure that all relevant parties have a meaningful input into the development of plan changes, so that any serious or contentious issues can be considered, and responses agreed, early in the process. I plan to consider these issues further, with particular focus on how collaborative planning processes could be used to improve plan development under the RMA, and in particular private plan changes, so that the framework provides greater clarity and improved linkages between strategy and implementation.

Māori participation

62. The important role of Māori in resource management is reflected through New Zealand's resource management framework. However, the participation of Māori is still well short of expectations signalled through provisions in the RMA. Achieving improved participation of Māori in resource management processes is critical to wider Government economic and environmental objectives. The efficient and improved participation of Māori in resource management processes is one of the overarching objectives of RMII.
63. The Minister of Māori Affairs and I intend to report back to Cabinet in early 2012 but not later than 30 March 2012 with progress on options to achieve efficient and improved participation of Māori in resource management processes.

Consultation

64. In October 2010, the Ministry for the Environment released a discussion document with proposals for the Urban and Infrastructure work streams (*Building Competitive Cities*) for eight weeks of public consultation until December 2010 [CAB Min (10) 36/2 refers]. The technical advisory reports of the UTAG and ITAG were also made publicly available at this stage.
65. A range of stakeholder meetings and four hui were held during and alongside the formal consultation. Meetings were held with local government, infrastructure providers, Māori, non-governmental organisations and practitioners. Over 290 written submissions were received by the Ministry for the Environment. A summary report of the submissions has been prepared and I propose to make this publicly available. In short, key themes from the submissions were:
 - support for simplifying the planning system but recognition that it will always be complex because of the issues raised;
 - recognition that some of the problems could be resolved by providing more guidance rather than amending legislation;
 - acknowledgement that central direction is valuable and could be used more and better;
 - recognition that legal links are required between spatial plans and RMA plans to be effective;
 - recognition that funding and financing tools play a critical role in achieving many of the outcomes sought by the reforms; and
 - agreement that there is a continued need for public participation in the planning process.
66. The submissions made during the consultation period will feed into the ongoing work programme.
67. Targeted consultation with key stakeholders and iwi was undertaken on proposals to address the complexities of the joint approvals process under the Conservation Act and the RMA. The feedback received during this consultation will feed into the ongoing development of options.
68. The following departments and agencies have been consulted on this paper and their views are reflected: Treasury, Ministry of Economic Development, Ministry of Health, Ministry of Fisheries, State Services Commission, Ministry of Agriculture and Forestry, Department of Conservation, Ministry of Transport, New Zealand

Transport Agency, Department of Internal Affairs, Ministry of Foreign Affairs and Trade, Ministry of Research, Science and Technology, Energy Efficiency and Conservation Authority, Environmental Risk Management Authority, Department of Building and Housing, Ministry of Social Development, Department of Corrections, Te Puni Kōkiri, Ministry of Justice, Land Information New Zealand, New Zealand Customs Service and the New Zealand Defence Force.

69. The Department of Prime Minister and Cabinet has been informed of this paper. The Officials Committee of the Cabinet Committee on Economic Growth and Infrastructure has also been consulted on this paper, and its views are reflected.

Next steps

70. I intend to report back to Cabinet in early 2012 but not later than 30 March 2012 with recommendations for the Urban, Infrastructure and Generic work streams of RMII. I also intend to report back at this time with initial advice on the role of spatial planning outside of Auckland; improvements to practice across the planning system; and collaborative planning mechanisms for plan development under the RMA.

Financial implications

71. There are no financial implications as a result of the proposals in this paper.

Human rights

72. There are no human rights implications as a result of the proposals in this paper.

Gender implications

73. There are no gender implications as a result of the proposals in this paper.

Disability perspective

74. The Ministry for the Environment will work with the Office for Disability Issues to identify and address any disability issues arising in the Urban, Infrastructure and Generic work streams of RMII.

Legislative implications

75. The Resource Management Urban and Infrastructure Planning Amendment Bill is currently Category 4 in the legislative programme (to be referred to a select committee this year) [CAB Min (11) 4/6 refers].
76. Approval is sought to change the Resource Management Urban and Infrastructure Planning Amendment Bill to a Category 5 bill, to be introduced in the next calendar year.

Regulatory impact analysis

77. There are no regulatory options resulting from the recommendations in this paper. As a result, Regulatory Impact Analysis requirements do not apply.

Publicity

78. The appropriate key messages and a communications plan will be developed to support ongoing work.
79. I propose to publish a summary report of the submissions received on the Building Competitive Cities discussion document, subject to the relevant provisions of the Official Information Act 1982. I also propose to proactively release the Cabinet paper.

Recommendations

The Minister for the Environment recommends that the Committee:

1. note that this paper provides an update on the Urban and Infrastructure work streams and seeks approval for an ongoing work programme
2. note that Cabinet previously agreed that the primary objective of Phase Two of the Resource Management Reforms (RMII) is to achieve least cost delivery of good environmental outcomes and agreed to a work programme and objectives for RMII [CAB Min (09) 13/2 refers]:
 - providing greater central government direction on resource management
 - improving economic efficiency of implementation without compromising underlying environmental integrity
 - avoiding duplication of processes under the Resource Management Act 1991 (RMA) and other statutes
 - providing for efficient and improved participation of Māori in resource management processes
3. note that Cabinet agreed to the release of a discussion document *Building Competitive Cities* for public consultation in October 2010 that canvassed options for reform to urban and infrastructure planning [CAB Min (10) 36/2 refers]
4. noted that the Minister for the Environment and the Minister of Māori Affairs, in consultation with the Prime Minister, would give further consideration to the issue of Māori Participation in resource management processes [CAB Min (10) 44/5 refers]
5. note that Cabinet invited the Minister for the Environment to report back on the Urban and Infrastructure work streams by the end of March 2011, and that this was subsequently extended to the end of May [CAB Min (10) 36/2 refers]
6. note that the Cabinet Committee on Auckland Governance Reforms previously directed the Ministry for the Environment, in consultation with other relevant agencies, to investigate as part of RMII opportunities to further simplify, streamline and make planning instruments and mechanisms more effective, including [AGR Min (09) 10/1 refers]:
 - 6.1. whether a spatial plan should supplement or replace councils' existing strategic plans (e.g. the Auckland Regional Policy Statement, and Auckland Regional Land Transport Strategy)
 - 6.2. the strength of the legal relationship between the spatial plan and other plans (e.g. District/Regional Plan, Long Term Council Community Plan)

- 6.3. the relationship of the spatial plan to national planning instruments (e.g. National Policy Statement, Government Policy Statement, National Infrastructure Plan)
- 6.4. consultation and appeal rights

Spatial planning

7. note that Auckland Council proposes to adopt the first Auckland spatial plan in December 2011
8. note that there is currently no requirement for local government outside of Auckland to produce a spatial plan

Ongoing work programmes

9. invite the Minister for the Environment to report back to Cabinet by 14 September 2011 with recommendations for achieving greater recognition of the importance of urban areas in resource management practice (including on the scope of a potential National Policy Statement to address issues such as urban design and affordable housing) and their environmental, social and economic benefits
10. invite the Minister for the Environment to report back to Cabinet in early 2012 but not later than 30 March 2012 with:
 - 10.1. recommendations for implementing spatial planning in Auckland, including clarifying the legal relationship between the Auckland spatial plan and other plans and policy statements; clarifying the role for public participation and appeal processes; and developing transitional arrangements, with the intention of reducing duplication across the planning system
 - 10.2. recommendations for increasing central government direction in resource management
 - 10.3. recommendations for addressing practice issues across urban planning
 - 10.4. recommendations for improving the approvals process for infrastructure projects under the RMA
 - 10.5. initial advice on re-consenting processes and collaborative planning mechanisms for plan development under the RMA, in particular private plan changes
11. invite the Minister for the Environment and the Minister of Land Information to report back to Cabinet in early 2012 but not later than 30 March 2012 with recommendations for improving the process for land acquisition and compensation under the Public Works Act 1981
12. invite the Minister for the Environment and the Minister of Conservation to report back to Cabinet in early 2012 but not later than 30 March 2012 with recommendations for addressing the complexities of projects requiring both a concession under the Conservation Act 1987 and a resource consent under the RMA
13. note that the terms of reference for the *Smarter Government, Stronger Communities* review of the system of local government provide for a review of

the structure, functions and funding of local government, and the Minister of Local Government is due to report back on progress by 6 July 2011 [CAB Min (11) 4/5 refers]

14. invite the Minister for the Environment, in consultation with the Minister of Local Government, to report back to Cabinet in early 2012 but not later than 30 March 2012 with initial advice on the role of spatial planning outside of Auckland
15. note that the Ministry for the Environment, in conjunction with Department of Internal Affairs and other central government agencies and the Auckland Council, will make available supporting information on the development and implementation of spatial planning with a particular focus on Auckland initially
16. note that the work referred to in recommendations 14 and 15 will progress alongside the *Smarter Government, Stronger Communities* review of the system of local government
17. invite the Minister for the Environment and the Minister of Māori Affairs to report back to Cabinet by in early 2012 but not later than 30 March 2012 on progress for options to achieve efficient and improved participation of Māori in resource management processes

Next steps

18. note that there are no financial impacts from these recommendations, and the financial implications of any recommendations will be considered as part of the report back to Cabinet in March 2012
19. note that consultation may be required on some of the issues identified and Cabinet approval will be sought where appropriate
20. note that the Resource Management Urban and Infrastructure Planning Amendment Bill has approval in the Legislation Programme to proceed as a Category 4 bill [CAB Min (11) 4/6 refers]
21. agree that the Resource Management Urban and Infrastructure Planning Amendment Bill be changed to a Category 5 bill, to be introduced in the next calendar year
22. agree that the Minister for the Environment should proactively release a summary of the submissions received on the *Building Competitive Cities* discussion document on the Ministry for the Environment's website, subject to the relevant provisions of the Official Information Act 1982
23. agree that the Minister for the Environment should proactively release this paper on the Ministry for the Environment's website, subject to the relevant provisions of the Official Information Act 1982



Hon Dr Nick Smith
Minjster for the Environment

6 / 5 / 2011

