



**Infrastructure**  
New Zealand

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# **Infrastructure New Zealand Submission to the Environment Committee – Spatial Planning Bill**

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## **1. About Infrastructure New Zealand**

- 1.1 Infrastructure New Zealand (INZ) welcomes this opportunity to submit to the Environment Committee on the Spatial Planning Bill.
- 1.2 INZ is New Zealand's membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy, and public and private sector collaboration. Our members come from diverse sectors across New Zealand and include infrastructure service providers, investors, and operators.
- 1.3 While INZ has submitted as the peak infrastructure sector organisation, we have also encouraged our members to make their own submissions raising those issues specific to their areas of interest or expertise.
- 1.4 INZ requests the opportunity to appear before the Select Committee in due course to present our submission.

## 2. General Remarks

### We recognise that the Bills present a significant milestone

- 2.1 INZ firstly wants to acknowledge the significance of the introduction of both the Natural and Built Environment Bill and the Spatial Planning Bill. INZ on behalf of its members (along with the Property Council, Business New Zealand, the Employers and Manufacturers Association and the Environmental Defence Society) has long advocated for a change to the current overly complicated, expensive, and time-consuming planning system.
- 2.2 It is well recognised that New Zealand faces urgent challenges that require, among other things, a paradigm shift in terms of how the planning system provides for infrastructure. As a country we have a significant infrastructure deficit of \$210 billion.
- 2.3 It is well recognised that our current planning framework has exacerbated these challenges. Te Waihangā / The New Zealand Infrastructure Commission found that projects valued under \$1 million are spending between 13% and 16% of their project budgets on resource consenting. These consenting costs are primarily incurred by applicants having to seek external expert advice, with nearly 70% of consent-related expenditure going to external experts and legal costs.

### We strongly support the move towards regional spatial planning

- 2.4 INZ welcomes the move to embed strategic spatial planning for all regions. We have long been supportive of regional spatial planning. In our 2019 paper – *Building Regions: A vision for local government, planning law and funding reform*– we stated that ‘new legislation would be necessary to require spatial planning and require all relevant parties to participate’.
- 2.5 The shift to regional spatial plans with a 30-year horizon should result in better economic, social and environmental outcomes for the regions and the country as a whole. INZ also expects the development of these plans will ensure that there is better collaboration and agreement on the location of various activities on a regional basis.
- 2.6 INZ strongly supports the reduction in the number of plans required under this new regime to 15. The cost and effort required to develop and interact with over 100 existing RMA plans has been significant for infrastructure stakeholders, especially those operating nationally. In particular, we look forward to seeing more national consistency as to how major infrastructure is treated within the Regional Spatial Strategies (RSS), as a result of these strategies needing to be consistent with or give effect to the National Planning Framework (NPF).
- 2.7 It is pleasing to see that the implementation plans and agreements will set out key actions that delivery partners will take to implement the RSS, along with an approach to monitor and report on delivery of these actions.

## **However, our concerns remain on the approach taken to reform**

- 2.8 As we outlined in our submission to the Natural and Built Environment Bill, while we continue to support the Government as it delivers on these significant reform programmes and Bills, we still consider that the overarching approach being taken does not get to the heart of the issues that need to be addressed in the planning system – primarily around incentives and integration.
- 2.9 We are disappointed by the short timeframe allowed for public submissions to be made on this Bill. The inadequate time provided does not allow for those impacted to truly digest the Bill and provide meaningful impact. It also has not allowed for sufficient time to fully stress test the provisions and allow debate between stakeholders with different priorities and perspectives. This is needed in order to develop the best legislation possible.

## **We also have some general concerns about the Bill**

- 2.10 We share some concerns on certain elements of the Bill with other submitters. In particular, the lack of detail for the governance structure of Regional Spatial Strategies, the lack of local voices and sector expertise within the planning and decision-making process and the lack of clarity on how local councils intend to implement the new planning regime and finance or fund infrastructure in future plans.
- 2.11 We also have some concerns around the very lengthy 10-year transition to the new National Planning Framework and new strategies and Natural and Built Environment (NBA) plans. While this transition period is realistic, given the resources required to transform the planning regime, this does represent a significant delay when there is such an obvious need to progress critical infrastructure projects in a timely and cost-effective manner.
- 2.12 While recognising the flexibility and ease of updating and keeping standard current within the NPF, we also note that the NPF will be subject to what could be frequent changes to reflect changes in Central Government politics, and even Ministerial preferences. This could contribute to further uncertainty and moving goalposts within the planning environment.

## **Specific comments and recommendations**

- 2.13 The remainder of this submission outlines the provisions we support, as well as some specific concerns and recommendations on clauses in the Bill. We address these from a broader INZ perspective on where the Bill could be improved before it is passed into law. A full list of our recommendations is included in Appendix 1.

### **3. Purpose and related matters (Part 1)**

- 3.1 The purpose statement reflects that of the Natural and Built Environment Bill's purpose which we have provided comment on in our submission on the NBE Bill. Generally, INZ is supportive of the dual purpose, in particular the recognition of enabling the 'use' and 'development' of the environment.
- 3.2 We also support that the purpose promotes the integration in the performance of functions under the Natural and Built Environment Act 2022, the Land Transport Management Act 2003, and the Local Government Act 2002. This integration across statutes is essential.
- 3.3 An important element of infrastructure is the recognition of the need to access construction material as provided through quarrying. However, we would like to the recognition of supply chain and construction materials in the definition of infrastructure with clause 8 and referenced to the NBA Bill.

#### **Recommendation 1**

- 3.4 Infrastructure New Zealand recommends that the definition of infrastructure be amended to include 'the supply of construction materials' (consistent with our NBA recommendation)

### **4. Regional Spatial Strategies (Part 2 and Schedule 4)**

- 4.1 As mentioned above, we welcome the reduction in the number of plans overall. The cost and effort required to interact with over 100 existing RMA plans is significant. The move to a regional spatial plan with a 30-year horizon should result in better economic, social and environmental outcomes.

#### **Requirements for Regional Spatial Strategies (Clause 12)**

- 4.2 Clause 12 states that every region must have a Regional Spatial Strategy. We are supportive of this provision and consider that it is important that all regions undertake spatial planning. We have already seen the benefits of undertaking regional wide spatial plans, both through the mandatory development of the Auckland Unitary Plan, and also through the voluntary spatial plans for part of the Waikato (FutureProof) and the western Bay of Plenty's Urban Form and Transport Initiative (UFTI). The reduction of the number of plans by making the strategies focus on the regional level is strongly supported.
- 4.3 We support the combining of Nelson City Council and Tasman District Council to produce one Regional Spatial Strategy. However, it is unclear what the expectation is for Marlborough District Council though. In recent years, the Regional Land Transport Plan (RLTP) has been developed for a Top of the South document, including Marlborough along with Tasman and Nelson.

- 4.4 For clarity's sake, it would be useful to explicitly include Marlborough as part of this 1 Regional Spatial Strategy and provide alignment also with the RLTP.
- 4.5 We are also very supportive of clause 12's recognition of decisions made at the Regional Spatial Strategy level, in particular:

## **Recommendation 2**

- 4.6 Infrastructure New Zealand recommend that clause 12 (2)(a) be amended to add Marlborough District Council so that it is included in the 1 Regional Spatial Strategy along with Nelson and Tasman.

## **Geographical boundaries of Regional Spatial Strategies (clause 14)**

- 4.7 Clause 14 is supported (**Recommendation 3**). The boundary of the area covered by a Regional Spatial Strategy must align with the boundary of the region to which the strategy relates, based on existing council boundaries. This does not preclude the ability to identify cross- boundary issues and work co-operatively to address these across two or more different Regional Spatial Strategies.

## **Scope of Regional Spatial Strategies (clause 15)**

- 4.8 Clause 15(1) sets out the scope of Regional Spatial Strategies for not less than 30 years. This horizon is supported, particularly as it aligns with the existing time horizon of council's infrastructure strategies.
- 4.9 INZ supports the relationship stated in Clauses 15 (1) (d) and (e) that the Regional Spatial Strategies *give effect to the national planning framework to the extent that the framework directs; and otherwise be consistent with the national planning framework*. It is important the provide this clarity as to the status and expectations of the RSS in relation to the NPF, in order to give it the appropriate teeth to set the national guidance and standards.
- 4.10 Clause 15(2) states that a regional spatial strategy must support a co-ordinated approach to infrastructure funding and investment by central government, local authorities, and other infrastructure providers.
- 4.11 We are extremely supportive of this provision as it recognises the need to consider funding and financing alongside resource and land-use planning. However, it is important to note that it is not solely infrastructure providers that fund and finance projects. All land developers pay a contribution towards the cost of infrastructure to service growth, by way of development contributions and it is important to have their early input to understand what is feasible in terms of funding and development timeframes. There also needs to be some commitment to reach agreement by all stakeholders.

4.12 INZ considers that it is critical to reinforce this key relationship between spatial plans and the available funding mechanisms for infrastructure and provide a link to the funding provisions within the Local Government Act and also the Infrastructure Funding and Financing Act 2020.

#### **Recommendation 4**

4.13 Infrastructure New Zealand recommend that clause 15(2) is amended so that the proposed coordinated approach to infrastructure funding is extended to include the local development providers who are likely to be servicing the growth by developing houses, commercial offices, industrial spaces or retail and hospitality precincts.

#### **General contents and form of regional spatial strategies (clause 16)**

4.14 Clause 16 states that a Regional Spatial Strategy must set out actions that must be taken as a matter of priority to achieve that vision and those objectives. We are supportive of this provision as prioritising actions within a Regional Spatial Strategy will help create certainty for regions and hold local government accountable.

4.15 It would be sensible for regions to prioritise the content of the first RSS so that they focus on the areas of regional growth and development or where there is conflict between uses. The RSS content does not need to cover the entire region but can be developed further over time as part of future iterations.

4.16 However, we note that the success of these priority actions will be dependent on the long-term plan cycle and how it fits into the Regional Spatial Strategies cycle. For example, if a Regional Spatial Strategy is developed after the long-term plan is established, then the long-term plan should be reviewed and amended to reflect the RSS priority actions and direct appropriate funding towards them. This should also include the proposed timeframes for the priority actions.

#### **Recommendation 5**

4.17 INZ recommend that the Local Government Act 2002 be amended to incorporate the ability to make an out-of-cycle review and amendment to the long-term plan (if required) to set out steps to implement and fund the priority actions for which the local authority is responsible. We also recommend amendment of clause 16(1)(b) as follows:

1) A regional spatial strategy must—

(b) set out the actions that must be taken as a matter of priority to achieve that vision and those objectives (the priority actions) and their timeframes;

## Contents of Regional Spatial Strategies: key matters (clause 17) and other matters of sufficient significance (clause 18)

- 4.18 INZ support for key matters to be considered by the Regional Planning Committees for inclusion in the content of a RSS and the emphasis on the various types of infrastructure as well as provisions for natural resources use and extraction (such as quarrying) and power generation.
- 4.19 We are pleased to see the transparent identification of areas that are appropriate for urban development and change, including existing, planned, or potential urban centres of scale clause 17(1)(c). Agreeing these areas in a transparent manner through the RSS process allows infrastructure providers to plan to support these areas within the appropriate timeframes. INZ is pleased that the evidence sharing, and debate will occur at the RSS level and not be relitigated through individual consents or plan change processes which, in the past, have disrupted infrastructure planning to support urban development where out of phase development, or development in areas previously considered unsuitable area has been approved outside a wider planning process.
- 4.20 We strongly support the proposed content of the RSS to adequately provide for infrastructure including not only corridor networks but also site-specific infrastructure such as energy generation, port activities and quarries as contained in the following clauses:
- 4.20.1 *17(1)(d) areas that are appropriate for developing, using, or extracting natural resources, including generating power*
  - 4.20.2 *17(1)(f) areas of the coastal marine area that are appropriate for development or significant change in use*
  - 4.20.3 *17(1)(g) ~~major~~ existing, planned, or potential infrastructure or major infrastructure corridors, networks, or sites (including existing designations) that are required to meet current and future needs*
  - 4.20.4 *17(1)(h) other infrastructure matters, including –*
    - (i) *opportunities to make better use of existing infrastructure; and*
    - (ii) *the need for other small-to-medium-sized infrastructure required to meet future needs or enable development*
  - 4.20.5 *17(1)(i) areas that are vulnerable to significant risks arising from natural hazards, and measures for reducing those risks and increasing resilience*
  - 4.20.6 *17(1)(j) areas that are vulnerable to the effects of climate change both now and in the future, and measures for addressing those effects and increasing resilience in the region, including indicative locations for—*

- (i) *major new infrastructure that would help to address the effects of climate change in the region; and*
- (ii) *areas that are suitable for land use changes that would promote climate change mitigation and adaptation.*

4.21 However, in clause 17(1)(g) the inclusion of a reference to 'major' discriminates against existing essential infrastructure that is physically small for example telecommunication facilities e.g. a cell tower so we recommend this word is deleted.

4.22 INZ support the criteria outlined in Clause 18 to determine which matters are of sufficient significance either regionally or nationally. We would expect there to be further clarity provided through the NPF to support the Regional Planning Committees making these determinations as well.

### **Recommendation 6**

4.23 INZ strongly supports Clause 17 whereby the RSS content specifying the key matters that the Regional Planning Committees must consider whether these are of strategic importance to their region, especially those supporting infrastructure development, resilience and climate change mitigation and adaptation.

4.24 Amend clause 17(1)(g) to delete the first word 'major' from this clause.

4.25 INZ support the criteria outlined in Clause 18 to determine which matters are of sufficient significance either regionally or nationally.

### **Level of detail in Regional Spatial Strategies (clause 19)**

4.26 Clause 19 sets out what level of detail and certainty will be included in the Regional Spatial Strategies. INZ supports having flexibility as it will allow regions to determine what is most appropriate for their circumstances.

4.27 This clause also reinforces the need to provide appropriate information and evidence at this phase for the planning of infrastructure but not the detailed implementation plans and specifics which should rightfully be determined during the consenting phase.

4.28 However, it would be useful to see more detail as to the projects that the plan wishes to see in areas that have current and expected growth. The more detail and funding arrangements that a Regional Spatial Strategy has, the more certainty the region will have in relation to delivery of projects.



## **Recommendation 7**

4.29 INZ recommend incorporating funding and financing arrangements within clause 19 to provide for more certainty where possible.

### **Process must encourage participation (clause 32)**

4.30 INZ supports clause 32 which requires the Regional Planning Committee to design the consultation process to encourage participation by the public and all interested parties, particularly those who may be involved in implementing the RSS. It is critical that all parties, both public and private organisations, who will be involved in implementing a RSS are engaged fully in the development process and can identify issues and conflicts at this early stage.

### **Cross-regional planning committees (clause 42 and 43)**

4.31 We support the recognition of cross-regional issues and the need to work across current council boundaries. This will come into use for large-scale infrastructure projects or the development of network corridors and adjacent land development that may cross over two regional planning committees and require funding from the different regions. These provisions fill a current void in the planning framework in creating the ability to plan spatially pan-regionally and with a degree of statutory backing.

### **Regional Spatial Strategies must be renewed every 9 years (clause 46)**

4.32 INZ supports the 9-year renewal period for a RSS. This allows enough time to bed in provision but also aligns with long-term plan and regional land transport plan timeframes as part of the reviewing and renewal process.

### **Implementation plans (clauses 52 - 54)**

4.33 INZ supports the development of RSS implementation plans, including the requirement for the Regional Planning Committee to consult each person who have a responsibility under the RSS for delivering a priority action. It would be expected that early engagement would occur as part of the RSS development and ensure that implementation details, funding and timelines were feasible.

### **Implementation agreements (clause 57)**

4.34 INZ strongly supports the use of implementation agreements but notes they are not mandatory nor enforceable. The concept is useful, particularly where these agreements set out priority activity phasing and interdependence as well as outlining funding sources and any legal requirements to access this.

## **Preparation of Regional Spatial Strategies: key process steps**

### **(Schedule 4)**

4.35 INZ supports the development and publication of a draft evaluation report at the same time the draft RSS is notified. It is important for transparency that the evidence considered by the Regional Planning Committees in developing the plan is available for scrutiny. An economic assessment may be difficult to undertake at this stage, but we would expect the evaluation report, as part of the consideration of options, to set out a Multi Criteria Analysis.

4.36 The exact consultation process is to be determined by the Regional Planning Committee and should allow for flexibility in the process.

### **Recommendation 8**

4.37 INZ supports the provisions for the preparation of regional spatial plans, including the development of an evaluation report. We consider that this report should require a multi-Criteria Analysis of the options considered.

### **Interested parties (clause 1, schedule 4)**

4.38 Clause 1 outlines who are classified as interested parties in relation to the preparation of Regional Spatial Strategies. Included in this list is 'relevant private infrastructure providers and operators.

4.39 Infrastructure New Zealand are very supportive of this provision and the inclusion of infrastructure providers and operators.

## **5. General powers, duties, and other matters (Part 3)**

5.1 Part 3 outlines significant Ministerial powers in relation to the spatial planning provision and process. INZ supports the interventions identified, but in doing so, we would like to see these powers shared or extended to another minister other than just the Minister for the Environment. The role of infrastructure and the built environment needs to be supported and we consider that it would be appropriate for the Minister of Housing and Urban Development or similar portfolio to have a role and for the Bill to be administered jointly by Ministers' departments.

### **Recommendation 9**

5.2 INZ recommends that the Bill is jointly administered by the Ministry for the Environment and the Ministry of Housing and Urban Development.

## **6. Conclusion and recommendations**

- 6.1 As outlined earlier on in our submission, we firstly want to note the significant work that has gone into this reform programme. INZ generally supports both of these Bills as tremendous steps forward from the Resource Management Act 1991.
- 6.2 Inevitably there will be challenges with the transition and implementation, but we appreciate the pragmatic approach being taken with assistance and guidance being made available to some pilot regions. It is important also that there is a focus on council and planning sector capacity and capability too in order to successfully transition to the new planning and resource management regime.
- 6.3 We thank the Environment Committee for the opportunity to submit on the Spatial Planning Bill and wish to appear before the Committee to present our submission.

Michelle McCormick  
Policy Director  
Infrastructure New Zealand

## Annex 1: Full summary of recommendations

#	Reference	Recommendation
1	Clause 8	Infrastructure New Zealand recommends that the definition of infrastructure be amended to include 'the supply of construction materials'.
2	Clause 12	Amend clause 12 (2)(a) to add <i>Marlborough District Council</i> so it is included in the 1 Regional Spatial Strategy along with Nelson and Tasman.
3	Clause 14	Supported unamended
4	Clause 15	Clause 15(1) is supported unchanged, particularly (a), (d) and (d) Clause 15(2) is amended so that the proposed coordinated approach to infrastructure funding is extended to include all key local developers who are likely to be servicing the growth.
5	Clause 16	Consequential amendment to the Local Government Act 2002 to allow for the review and amendment of the long-term plan (if required) to set out steps to implement and fund the priority actions for which the local authority is responsible for. Amendment also to clause 16(1)(b) as follows: <ul style="list-style-type: none"> <li>1) A regional spatial strategy must—</li> <li>(b) set out the actions that must be taken as a matter of priority to achieve that vision and those objectives (the priority actions) <i>and their timeframes</i>;</li> </ul>
6	Clause 17  Clause 18	INZ strongly supports the RSS content specifying the key matters that the Regional Planning Committees must consider whether these are of strategic importance to their region, especially those supporting infrastructure development, resilience and climate change mitigation and adaptation.  Amend clause 17(1)(g) to delete the first word 'major' from this clause.  INZ supports the criteria to determine which matters are of sufficient significance either regionally or nationally.
7	Clause 19	INZ recommend incorporating funding and financing arrangements within clause 19 to provide for more certainty where possible.

8	Schedule 4	INZ supports the provisions for the preparation of regional spatial plans, including the development of an evaluation report. We consider that this report should require a multi-Criteria Analysis of the options considered.
9	Clause 60	That the Bill is jointly administered by the Ministry for the Environment and the Ministry of Housing and Urban Development.