

ANNEX B – Evaluation of key policy issues identified for the 2016-2019 term

For the 2016-2019 period, six key policy issues were identified as likely to shape the triennium. Three of these issues related to the implementation of legislative or regulatory changes, and three were strategic issues. Set out below is an evaluation of what we have learned that can inform Council as it looks towards shaping its strategic agenda for the new triennium and a high level summary of each of the six issues, and their related progress over the period.

Evaluation of the key policy issues of the 2016-2019 period demonstrated some continuing trends, but also highlighted the new policy work undertaken in areas we hadn't anticipated. It appears that the focus on environmental policy – particularly the focus on the RMA (including further NPS and NES instruments) and Climate Change will continue; as will the strengthening and maturing of relationships with iwi.

The Council was well positioned in the last triennium to assist the region to take advantage of the upswing in focus towards regional development through the strong relationships built across the region with territorial authorities, industry (including sector groups) and Government agencies. Similarly, the track record of our operational teams supported our ability to capitalise on the forestry planting programmes announced approximately halfway through the triennium. However, forestry development is of increasing concern to parts of the rural community, and there may need to be a strategic approach across the region to planting.

The new significant policy work area in the 2016-2019 triennium was as a result of the declaratory proceedings in 2017 on Council's nutrient management framework under the One Plan. Overall, the Horizons Long-Term Plan continued to deliver consistently for business activities.

Currently, the most significant driver of policy work is the change of Government, and their ambitious programme of reform – particularly in environmental policy. The Government now has a markedly different approach to costs (for example, to ratepayers) and growing expectations of what local government will deliver for its communities on behalf of the nation.

The 'wellbeings' focus of the Government (including the Treasury's Living Standards Framework) is yet to fully establish itself in policy and practice, and is likely to significantly impact on the relationships between central and local government. However, the recent change to the Local Government Act to reintroduce wellbeings will influence the direction and expectations of the next iteration of LTPs. Wellbeings have also been recently embedded in the Public Finance Act, which will also influence Government agencies approaches to policy.

1. Resource Legislation Amendment Bill

- 1.1. The overarching purpose of the Resource Legislation Amendment Bill (RLAB) was to create a resource management system that achieved the sustainable management of natural and physical resources in an efficient and equitable way. The RLAB contained 40 Amendments, which promulgated consequential amendments to five different acts: Resource Management Act 1991 (RMA), Conservation Act 1986, Reserves Act 1977, Public Works Act 1981, and the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2013.
- 1.2. Horizons provided a submission on the Bill, supporting some of the proposed elements where they improved efficacy. The bill was passed into law on 18 April 2017 and became incorporated into the resource management system.
- 1.3. The new Resource Management Act Amendment Bill (2019) is currently before Select Committee, and the bill aims to repeal many of the changes made in the RLAB, including restoring public participation rights, and removing special powers relating to urban development. The Bill also seeks to remove the collaborative planning process

established by the RLAB (which has not been known to be used by any Council to date).

2. Better Local Services Bill - Local Government Act 2002 Amendment Bill (No 2)

- 2.1. The purpose of the **Better Local Services Bill** was to implement a set of reforms to enable improved service delivery and infrastructure provision arrangements at the local government level, and was intended to enable local government to deliver services and infrastructure through collaboration and innovation.
- 2.2. However, there was significant opposition to the Better Local Services Bill from various stakeholders as many argued that it focused on the lack of engagement within the sector during the policy development phase of the proposed legislation. This led to LGNZ strongly putting forward a member-backed view that the Better Local Services Bill would have had a significant impact on local democracy.
- 2.3. This included reductions right across participatory democracy, including community consultation, requirements for community support, and decreasing overall engagement. It would also have reduced the local decision-making of councils, and their involvement in reorganisation investigations. The Better Local Services Bill passed its second reading in June 2017, but has since been effectively shelved and is unlikely to progress given the change of Government in late 2017.

3. National Policy Statements and National Environmental Standards

- 3.1. The Government signalled a strong interest in better utilising instruments of national direction - namely **National Policy Statements (NPS)** and **National Environmental Standards (NES)** - that were available to them under the RMA. The Government also notified Councils of its intent to create a template plan that would apply to regional councils, territorial authorities and unitary authorities, and that this would be developed in the form of **National Planning Standards**.
- 3.2. In September 2017 the Ministry for the Environment published a list of priorities in relation to National Policy Statements and National Environmental Standards, updating an earlier list it had published in August 2015, and clearly setting out that government were actively pursuing a number of NES and NPS instruments.
- 3.3. The key NPS and NES focus areas identified by Horizons were the proposals to update the **National Policy Statement for Freshwater Management (NPSFM)**, which was further changed in 2017 (having been first published in 2011, and further amended in 2014), and the **National Environmental Standard for Plantation Forestry (NESPF)**, which came into force on 1 May 2018.
- 3.4. In August 2017, a report on NPSFM implementation was published by the Ministry for the Environment. Horizons was an early leader in implementation of the NPSFM, having already adopted objectives and identified values for freshwater in the One Plan and broadly in alignment with the National Objectives Framework. On 18 December 2018 a proposed Implementation plan was considered by Council, and it was agreed that a catchment-by-catchment approach (*Our Freshwater Future*) would be taken to freshwater management, with Manawatū being the first catchment focus.
- 3.5. The Ministry for Primary Industries led the nationwide introduction of the NESPF in 2018. The NESPF was originally initiated by forestry companies to address how different local authorities regulate manage production forestry. On 28 August 2018 minor amendments were made to the Horizons One Plan to accommodate the new management standards for forestry under the NESPF. Horizons had held some concerns that the NESPF would result in more consent applications, especially for

activities such as earthworks and quarrying, and more work to monitor forestry operations compliance for already resource-pressured team.

4. Iwi Relations

- 4.1. Horizons has been working with a number of iwi and hapū on the development and implementation of agreed projects through the Memorandum of Partnership, joint environmental enhancement activities and Treaty Settlement processes. Willing engagement from iwi in these areas have indicated a maturing of our relationships with iwi and hapū, and shared aspirations, through the region.
- 4.2. Significant progress has been made in relation to Treaty settlement processes for several iwi or large natural groupings within the region. This includes the passing of settlement legislation for Ngāti Rangitāne o Manawatū, Rangitāne o Wairarapa, Tamaki Nui ā Rua, Ngāti Tūwharetoa (Land settlement), and the significant river legislation relating to Te Iwi o Whanganui (River Claim), and included in the settlement of Ngāti Rangī (Te Waiū o Te Ika, the Whangaehu River Strategy).

5. Climate Change

- 5.1. In 2016 Council was presented with a report that identified that climate change will have a significant impact across many of Horizons' activities and on many of our communities over the course of this century. Due to its gradual and global nature it is an issue that crosses borders and levels of governments. Central Government and local authorities are working on a range of strategies to determine how to manage the issues related to climate change.
- 5.2. The Horizons 2019 State of the Environment Report included commentary on the need to respond to climate change, and signalled how it was being factored in to operational issues for land and river management, including erosion and flood control planning. The new Government developed a strong position on climate change action, and formed the interim Climate Change Commission.
- 5.3. During the triennium the Government released a series of discussion documents and proposals on climate change, and developed the Climate Change Response (Zero Carbon) Amendment Bill. Horizons submitted on this Bill to the Select Committee. The key points of the submission were that: there would be challenges for the region in meeting some proposed emission targets; the Bill required further policy development, and did not align well with other responsibilities the Council holds under related legislation (such as the RMA). The Bill was reported back from Select Committee in late October 2019 with few substantive changes from the original bill, and passed its third reading on 7 November 2019.

6. Regional Development

- 6.1. Horizons Regional Council and territorial authorities developed a Regional Growth Strategy informed by the Manawatu-Whanganui Regional Growth Study which had identified a number of opportunities that could help realise economy prosperity in the Region. Accelerate25 facilitates regional leadership and alignment of plans and initiatives developed by businesses, organisations and iwi, and engagement with local and central government on priority policy and funding areas to drive growth and create a more prosperous Manawatū-Whanganui Region by 2025.
- 6.2. Te Pae Tawhiti sets out an inter-generational strategy for the Māori economic development in the Manawatū-Whanganui for the next 24 years (2016 – 2040). Its initial purpose of this was to enable financial support for Māori to pursue economic development as a collective across the region.

- 6.3. With the advent of the Government Provincial Growth Fund, Accelerate25 provided an effective mechanism during the triennium to direct funding and increase alignment across priority areas. The region has received Provincial Growth Fund support towards a broad range of initiatives within its boundaries, including a Regional Freight Hub in Palmerston North, improved digital connectivity for the region, an Advanced Aviation Hub and port redevelopment in Whanganui, and further investment in tourism in Ruapehu.