

Horizons Regional Council

One Plan Submission

Oral Presentation: 3:00pm 2nd July 2008

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My submission is two fold. Firstly the Philosophical aspects of regulation; in this instance land use control mechanisms, and how these mechanisms are likely to impact future land use. The second aspect is related to the first, in that individual's and organisation's react to the environment within which they exist; how individuals, institutions and organisations react to the regulatory environment, and especially to real or perceived changes to that environment, are material to my concerns.

The preparation and consultation process(s) of 'One Plan' do not appear to include research into the social and economic impact on the region and its communities of the proposed changes. I have listened to some explanation that the introduction of 'One Plan' does no constitute new policy. Simply put, this is a lie, 'One Plan' proposes to introduce consent for land use changes including simple intensification for example, a 5% increase in stocking rate. The introduction of these more tightly bounded and rigid land use policy regulations encompassed in 'One Plan' cannot but influence investment and development decisions. The issue is simple: if punitive and oppressive policies are introduced constituents will respond – negatively, make no mistake these measures are punitive and in my opinion likely to become increasingly oppressive to land owners. While Horizons position is that it wishes positive physical environmental responses and has proposed 'One Plan' with all its bells and whistles...fair enough; but it has failed in its responsibility to evaluate the impact of

the proposed changes on the social, cultural and economic environment. This strikes at the heart of what real 'sustainability' should encompass.

What I believe needs to be done, *before proceeding*, is to assess the real impact of 'One Plan' on the sustainability of the wider environment will be. The RMA 1991 charges Regional authorities with responsibility to "...enable people and communities to provide for their Social, Economic and Cultural wellbeing¹" as well as protect natural and physical resources. At the root of this issue is the question; does man exist for the environment or the environment for man? Or is there some kind of balance, and if so, who decides on the weighting of the priorities.

Fundamentally 'One Plan' proposes to introduce performance standards for land use; the rationale is logical, even if simplistic (polluter pays,...maybe?!)². These standards will by necessity be prescriptive in order that they are enforceable. This is all very understandable, but I am concerned that these types of systems will tend to choke investment and therefore reduce productivity. These effects are insidious and are probably already in play; there are increasing numbers of New Zealand farmers investing offshore (they are not the only ones) in similar primary production systems, in Countries which welcome investment and do not discriminate as rigorously as we in New Zealand are apt. I believe this should be read as a lack of confidence in New

¹ RMA 1991 Section 5 (2) In this Act, **sustainable management** means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural wellbeing and for their health and safety while—

- (a) Sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and
- (b) Safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and
- (c) Avoiding, remedying, or mitigating any adverse effects of activities on the environment.

² It is my view that the '*polluter pays*' principle is overly simplistic because it ignores any societal or economic benefits that the perceived polluter brings to the collective benefit of the community. Taxing (and regulation is simply taxation in another form) activity of any kind simply adds cost which ultimately is passed on, and if not, the economic environment becomes unsustainable, and business flees or fails.

Zealands institutional systems, systems which include the application(s) of the Resource Management Act. The threat of non compliance and the simplistic economic arguments appearing in the media³ to justify the sort of annual consent servicing fees are too simplistic; the truth is compliance costs are simply another tax on production. To put it bluntly this constitutes the introduction of a new and substantial ongoing revenue stream for the Regional Council. So much for the Philosophy; how can we deal with the practical aspects?

Section 32 of the RMA 1991 requires local authorities to conduct an evaluation of the impact of proposed changes. Horizons has commissioned a 'Section 32 Report'⁴, but this appears to fall short of the requirements specified in section 32 (4) a⁵ [coloured

³ "Complying is 'cheap insurance'" Manawatu Evening Standard Tuesday 7th June 2008. An interesting point is what is the '*agreed will of the community*'? Was this informed consent? Or as a result of feed back from the Big Green Rig road show? It depends on the question asked; we all want a cleaner environment especially if someone else pays; but what if we all lose?

⁴ Beca Carter Hollings and Ferner Ltd, April 2007

⁵ **Resource Management Act 1991; Section 32 (part)**

Consideration of alternatives, benefits, and costs

- (1) In achieving the purpose of this Act, before a proposed plan, proposed policy statement, change, or variation is publicly notified, a national policy statement or New Zealand coastal policy statement is notified under section 48, or a regulation is made, an evaluation must be carried out by—
 - (a) the Minister, for a national policy statement or a national environmental standard; or
 - (b) the Minister of Conservation, for the New Zealand coastal policy statement; or
 - (c) **the local authority, for a policy statement or a plan** (except for plan changes that have been requested and the request accepted under clause 25(2)(b) of Part 2 of Schedule 1); or
 - (d) the person who made the request, for plan changes that have been requested and the request accepted under clause 25(2)(b) of Part 2 of the Schedule 1.
- (2) A further evaluation must also be made by—
 - (a) a local authority before making a decision under clause 10 or clause 29(4) of the Schedule 1; and
 - (b) the relevant Minister before issuing a national policy statement or New Zealand coastal policy statement.
- (3) **An evaluation must examine—**
 - **(a) the extent to which each objective is the most appropriate way to achieve the purpose of this Act; and**
 - (b) whether, having regard to their efficiency and effectiveness, the policies, rules, or other methods are the most appropriate for achieving the objectives.
- (3A) This subsection applies to a rule that imposes a greater prohibition or restriction on an activity to which a national environmental standard applies than any prohibition or restriction

red in the footnote]. The Section 32 report seems to present a reasonable, if subjective, view of a 'fit for purpose' commentary on the 'One Plan' but fails to identify the costs and benefits, either on a farm by farm basis or of wider importance, for the region as a whole. Dollar costs and benefits are not mentioned in the body of the report at all, there is mention of the economic costs and benefits of nutrient management on page (?) of the appendices referring to Monaghan (2006), but this is second hand data based on research on a Waikato dairy farm, hardly relevant to the diversity of systems and soils in the Horizons region and certainly not providing sufficient detail to justify lack of further investigation.

The lack of well researched and appropriate cost benefit information is a major deficiency in Horizons 'One Plan' consultative process. While none can criticise the purported intent of 'One Plan' (to protect the environment) it is incumbent, indeed a legal requirement, that the costs are analysed and made available for public discussion. If these costs prove unsustainable for business(s) and farms, this will erode investment and encourage reallocation of resources; the economic sustainability of the region and more particularly the viability smaller rural communities will be threatened. It is not acceptable to treat economic and environmental sustainable as separate issues; both must be sustainable if viable communities are to exist.

in the standard. The evaluation of such a rule must examine whether the prohibition or restriction it imposes is justified in the circumstances of the region or district.

(4) **For the purposes of the examinations referred to in subsections (3) and (3A), an evaluation must take into account—**

- **(a) the benefits and costs of policies, rules, or other methods;** and
- (b) the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the policies, rules, or other methods.

(5) The person required to carry out an evaluation under subsection (1) must prepare a report summarising the evaluation and giving reasons for that evaluation.

(6) The report must be available for public inspection at the same time as the document to which the report relates is publicly notified or the regulation is made.

It is incumbent upon Horizons to fully consider **ALL** implications of its policy initiatives and 'One Plan' can be no exception. The environment is important but so are people and people must have viable local economies to survive. Policy which ignores economics puts communities at risk. We have the opportunity to address this matter before it is not too late, let's get it right for everyone's long term interests and put some balance into the debate. I call for an independent analysis to be conducted on the socio-economic implications of 'One Plan' on the region as a whole and the (esp. smaller rural) communities within it **before 'One Plan' is ratified**. I consider failure to do so is negligent and a clear breach of the RMA 1991 and will exposes Horizons Regional Council to unnecessary risk of imposing economically unattainable environmental objectives.