

5 February 2023

Environment Committee
Parliament Buildings
Wellington

Submitted via Consultation Website

Kia ora

TIA submission on Resource Management Reforms

Tourism Industry Aotearoa welcomes the opportunity to comment on the Natural and Built Environment Bill and the Spatial Planning Bill. TIA submitted to the earlier inquiry process and this submission builds upon that earlier input.

Overall comment

TIA appreciates the magnitude of the reforms and the need for them.

On one hand, we see many instances where the Resource Management Act and the way it has been implemented have resulted in time, cost and uncertainty issues across the tourism industry. On the other hand, reform introduces uncertainty, transitional costs, new processes and, from an industry association perspective, new ways of doing business for our members.

In this, the critical question is whether the intent of the reform will be captured and enacted in the legislation in such a way that results in a practical, fair and widely beneficial resource allocation process. We raise this given the widely held view that the application of the Resource Management Act was ultimately quite different to its original intent.

This strongly indicates to us that great care and attention is needed in establishing the legislation; and then equal care, attention and funding is needed for its implementation - the two must go together.

The key recommendations TIA makes to the Committee are:

1. **Recommendation:** Committee to provide guidance on the prioritization of, and relationship between, the five Objectives, and some mechanisms on how different views will be reconciled.
2. **Recommendation:** Committee to reconsider the membership of the RPC to broaden their membership to include sector or commercial interests, ideally with a tourism voice for regions where tourism is particularly important.
3. **Recommendation:** Committee to note TIA's support for the submission of Business New Zealand, including its comments on property rights, to ensure the reforms recognise and meet the needs of New Zealand's commercial and investment sectors.

Tourism Industry Aotearoa

TIA is the peak body for the tourism industry in New Zealand. With over 1200 members, TIA represents a broad group of key tourism businesses across hospitality, accommodation, adventure and other activities, attractions, retail, aviation, land and sea transport, as well as tourism-related services.

TIA established the tourism industry's strategic document, *Tourism 2025 & Beyond – A Sustainable Growth Framework*, Kaupapa Whakapakari Tāpoi. This has the Vision of 'Growing a sustainable tourism industry that benefits New Zealanders'.

TIA gives effect to this through the New Zealand Tourism Sustainability Commitment - He kupu taurangi kia toitū ai te tāpoitanga that was launched in 2017 to drive to a sustainable tourism future. It has the Vision of '*Leading the world in sustainable tourism*'.

These documents set out the clear intent of the tourism industry to be a positive contributor to New Zealand society and our environment. This is clear, and our essential feedback is around how our resource allocation system can help the tourism industry give effect to this intent.

TIA feedback

The views set out in this submission have been developed by TIA with input from several of our members. As an umbrella association, we have encouraged our members to make their own submissions to reflect their specific perspectives.

With the draft legislation being both extremely large and complex, it is not possible for an organisation like TIA to provide clause by clause feedback. Instead, we make a number of higher-level observations alongside some more targeted comments where it is important to emphasise a tourism-specific perspective. With tourism so integrated within and across the New Zealand economy, society and environment, it is essential that the new resource management system works effectively and efficiently for this important industry.

Key points of feedback are:

1. **Overall Architecture.** The overall architecture seems appropriate with the proposed Natural and Built Environment Act, the Spatial Planning Act and the Climate Adaptation Act. We consider the introduction of structured and long-term planning instruments will greatly assist in ensuring a systems approach (as opposed to an ad hoc one) to managing our resources to the best effect. Tourism is a system-based industry, so we see opportunity to include tourism perspectives through these plans, and we see this aligned to our vision for tourism to be a positive contributor to Aotearoa New Zealand's sustainable and regenerative future.

Recommendation: Committee to note TIA's overall support for the RMA reforms.

2. **Objectives.** ([Natural and Built Environment Bill, Explanatory note](#)). The five objectives for the resource management system set out in the Bill can be paraphrased as:

- Protect and, where necessary, restore the natural environment.
- Better enable development within environmental limits.
- Give effect to te Tiriti o Waitangi.
- Better prepare for adapting to climate change and other hazards.
- Improve system efficiency and effectiveness and reduce complexity.

While each are good objectives in their own right, there is no sense of hierarchy across them and given that they will on occasion operate against each other, there is no indication on how any conflicts will be addressed. If not dealt with in the legislation, this could be a problematic aspect of the wider implementation.

Recommendation: Committee to provide guidance on the prioritization of, and relationship between, the five Objectives, and some mechanisms on how different views will be reconciled.

3. **Implementation.** The critical point being around the timing of the legislation and the sequencing of its implementation. As set out above, we consider that how the reforms are implemented will be as important as the legislation itself and requiring the appropriate sequential development to minimise uncertainty and duplication of effort. As the transition is expected to take up to 10 years, there will be plenty of opportunity for the implementation to be impacted so it is essential that the implementation be both well designed and, most importantly, resourced on an ongoing basis so that it can be implemented as intended and envisaged.

Recommendation: Committee to ensure the long-term implementation pathway for the reforms is well-set at the foundational establishment phase. This to include long-term funding mechanisms for the implementation of the new resource management system.

4. **National Planning Framework (NPF).** ([Natural and Built Environment Bill, Clauses 32 to 36](#)). A key part of the Natural and Built Environment Bill is the NPF that will be the means by which the government will provide direction to the lower order planning instruments that will give effect to what is set out on the NPF. As such, the NPF will be a very important part of the process and the reforms must ensure that it provides clear, comprehensive, and coherent direction, or else current inconsistencies could continue. From a tourism perspective, it will be of importance that the NPF is designed to reflect the interests of a wide range of resource users, including tourism operators, with recognition of the ability of the tourism industry to contribute positively to both community and environmental outcomes. In Clause 33, there is an opportunity to insert a reference to specific sectorial needs where these are important to particular places or regions, such as the requirements of the tourism industry in Central Otago or Fiordland.

Recommendation: Committee to broaden the wording of Clause 33 to allow the NPF to provide direction across a wider set of interests where there is a rational for doing so.

5. **Regional Spatial Strategies (RSS).** ([Spatial Planning Bill, Clauses 15-21](#)). This is another key element and TIA welcomes the strategic long-term planning approach as it will allow cohesive management of our resources for both usage, and protection and enhancement. TIA's concerns in this area are two-fold.

Firstly, Regional Planning Committees (RPC) ([Natural and Built Environment Bill, Schedule 8](#)) have a vital role to play in developing the RSS. TIA is concerned that the membership of the RPC will be local government, iwi and hapu, and a central government member, with this mix not being well placed to take into account broader stakeholder interests, particularly of those who operate in the regions, generate business opportunities and employment. TIA sees a clear risk that the RPC as currently constituted will be unable or unwilling to take into account sector or commercial interests. For TIA, this is important because of the very significant contribution of tourism nationally and regionally to both GDP and employment. For instance, pre-COVID (year-ended March 2020), tourism directly and indirectly supported 9.1% of national GDP and 13.2% of employment.¹ And, across the country these proportions increase for the more tourism-focused regions making informed tourism input into these processes important. While the local government members might represent this voice, we know from experience that this is unlikely to be the case.

Secondly, with just 15 RSS to cover all of Aotearoa New Zealand, there is a strong likelihood that the plans will be quite generic and not able to take into account more granular planning requirements. This is critical for the tourism industry, which is so tied to place, and the quality of management of these places is what truly matters. For instance, within an Otago RSS, what matters for Queenstown is different to Arrowtown and both are different to Wanaka. The ability to differentiate within the RSS regions for these more granular requirements will be very important.

Recommendation: Committee to reconsider the membership of the RPC to broaden their membership to include sector or commercial interests, ideally with a tourism voice for regions where tourism is particularly important.

Recommendation: Committee to consider mechanisms for ensuring the RSS both cover the broad requirements for each region and the more graduated requirements within each region.

6. **Natural and Built Environment Plans (NBE plans).** ([Natural and Built Environment Bill, Part 4](#)). This outlines the provisions for the Natural and Built Environment Plans which is the key level that draws together the RSS and the NPF to regulate resources in each region through rules and policies. We appreciate that this is where local government will get into the practical work of implementing their resource allocation responsibilities. While the narrative in the Bill talks about efficiencies and cost-effective practices, this will be where the actual reality will become apparent. TIA notes the various appeal and legal pathways and sees a risk that this aspect could be disruptive through the implementation, especially until case law becomes established which will take a considerable period of time.

¹ Tourism Satellite Account: Year Ended March 2022, Stats NZ, December 2022.

Recommendation: Committee must be very deliberate in establishing the framework for how NBE Plans will be developed and implemented by councils to ensure the desired efficiencies and streamlined processes are achieved in practice.

7. **Property rights.** Resource allocations typically involve capital investment, and whether large or small, this needs to be advanced commercially, meaning that duration and strength of tenure are important factors for investors. This is certainly the case in tourism where resource allocations can be small and transitory, while others require large investments and long pay-back times: e.g. airports, ports and other transport infrastructure, ski fields, hotels, and so on. In each case, the strength and duration of the property right around the resource allocation (and existing use) are extremely important for the commercial sector generally and tourism specifically. In this regard, TIA supports the submission of Business New Zealand.

Recommendation: Committee to note TIA's support for the submission of Business New Zealand, including its comments on property rights, to ensure the reforms recognise and meet the needs of New Zealand's commercial and investment sectors.

Other comments

For TIA, while we welcome these reforms, we know that the details will be extremely important. This means that every word needs to be carefully considered, including how they might be interpreted in courts in the years ahead. An example of this is the introduction of the term 'te Oranga o te Taiao' ([Natural and Built Environment Bill, Explanatory note](#)), which replaces the phrase 'sustainable management' used in the RMA. Another new concept is the introduction of mandatory environmental limits and targets, which require clarity on their specific definition and implementation. Given the newness, it is important that these terms and concepts—and the other new terms that are used—are very clearly defined within the final legislation.

A key theme of feedback from our members is that the term 'amenity' has been removed and has not been replaced with an alternative. Typically, enhanced amenity values stem from tourism consents and these are often central for getting resource consents for tourism-related proposals. TIA considers it important that amenity value, which is essentially a human well-being value, be included in the reforms alongside the biophysical limits and targets.

Operators also commented that the loss of protection for scenic views ([Natural and Built Environment Bill, Clause 512](#)) is an important change for the tourism industry given that scenic views significantly impact a place's appeal and value. Again, this is a human well-being value but is of high importance to the tourism experience where the quality of the visitor experience is paramount.

Concluding comment

Tourism has a clear interest in how we manage and develop our natural and built environments, both for gaining access to resources that are important not just economically, but also for people's wellbeing, and for ensuring our stewardship of the environment is of the highest standard.

As a membership-funded tourism industry association, however, we do not have the ability to assess and comment on every clause, but we have sought to highlight those critical aspects of the new system that must work well. We see the Regional Planning

Committees as being central to the process and we do believe that these committees must have a broader membership than that set out in the Bill.

With a ten-year transition period ahead of us as the key elements of the system are put in place, the system design is of utmost importance, as are the resources and commitments needed to ensure the implementation takes place as envisaged. While we are not sure how the Ministry for the Environment will be configured and resourced to drive this work forward, TIA is of the view that having this as a dedicated and very well-supported part of the Ministry will be vital.

Further input

TIA requests the opportunity to appear before the Select Committee. Please contact Bruce Bassett - 021 609 674 or bruce.bassett@tia.org.nz.

Ngā mihi,

A handwritten signature in blue ink, appearing to read 'R Ingram', followed by a period.

Rebecca Ingram
Chief Executive