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National direction consultation
Ministry for the Environment
Wellington

Tēnā koe

## Submission on the National Direction proposals

Thank you for the opportunity to submit on the proposals to change National Direction. Many of our members across a range of engineering disciplines interact with the resource management system and are well accustomed to some of the challenges of working within the system.

This submission reflects the views of Engineering New Zealand and has been developed with support from technical experts across a range of engineering disciplines. Engineering New Zealand is the largest professional body for engineers in New Zealand, with over 23,000 members. We have both regulatory and membership functions.

Our submission is structured by first outlining high-level themes that are more systemic in nature and relate to all the packages, followed by additional detail on packages 1-3 in the appendix. We will submit separately on the housing proposals in package 4, though many of the high-level themes also apply to these proposals.

### Overview

Engineering New Zealand is broadly supportive of resource management reform, particularly efforts to improve integrated spatial planning, make consenting quicker and cheaper, while protecting our natural resources. We welcome efforts to enable the infrastructure that New Zealand needs most. However, we are concerned about the timing and alignment of these proposals with broader government reform, and their likely impacts on the sector.

We have a range of key points that are described below:

- Implementing these proposals prior to legislative reform, is likely to have unintended resourcing demands that outweigh short term benefits.
- These proposals appear to have limited alignment with broader government reform.
- The amount of reform facing local government is unmanageable and creates significant implementation risk.
- It appears the proposals have been developed in isolation risking misalignment and additional complexity.
- Improving the resource management system requires consolidated, clear and workable documentation and direction.
- These proposals may not have struck the right balance between development and the environment
- These proposals reduce iwi engagement and matauranga Māori concepts.
- Spatial planning is a critical tool to improve the resource management system.

- Successful implementation requires strong technical input.

## Implementing these proposals prior to legislative reform, is likely to have unintended resourcing demands that outweigh short term benefits

These National Direction proposals will generate significant change for the sector, local government and clients. Many of these proposals will require time and resources to interpret and implement. It seems overlooked that changes targeting resource consenting processes, rather than plans, will still take time and resources to adopt. Engineering New Zealand questions the timing of this consultation, where substantial change to national direction would occur only a short time before the replacement legislation is expected to be introduced. We acknowledge there would be a transition process to the new system, but this only introduces another series of changes that must be adapted to, adding to the complexity and engagement fatigue of the sector. There is a risk that changes to the existing system would make the transition to the new system even harder. We feel that the costs likely outweigh the short-term benefits of these changes and would prefer to see them introduced with the new system.

We are also concerned that the first principles nature of the new legislative system could render these changes to national direction irrelevant, as they are based on parameters within the existing resource management framework that may not existing in the new system. While we acknowledge that the proposals have been "developed with the new system in mind", it is unclear how they will be transferred into the new system and are unlikely to be the same. This would require the industry to adapt to these changes, only to adapt again to a different system within a short timeframe. Additionally, the differing implementation timeframes across the packages may cause confusion and lead to poor outcomes.

Relatedly, we are concerned that the management and direction around conflicting priorities within the resource management system are being delayed until the replacement legislation- as highlighted by the following comment: *"…the Government has now decided to focus on resolving these major tensions between infrastructure and natural environmental values in the replacement of the RMA, rather than through the current proposed changes to national direction"*. These tensions already exist with the system and within national direction instruments and are already difficult to navigate. A delayed approach risks unintended short-term environmental impacts and increases the likelihood that these tensions will need to be resolved through litigation in the Environment Court.

We note that some of the proposals are robust and include draft wording, while others are relatively underdeveloped. Many do not seem to fully consider systemic implications, including how they interact with the other proposals in this consultation or how they may interact with the broader resource management system. These changes are significant and require time to fully analyse the individual risks and benefits and how proposals may affect each other and the broader development system. An example of this is the exclusion of infrastructure from the NPS-natural hazards. This exclusion could mean the critical infrastructure enabled through NPS-infrastructure will be at greater risk of natural hazards or be developed in areas of high-risk. This reform programme would benefit from more time to fully develop the analysis.

## These proposals appear to have limited alignment with broader government reform

This Government has an ambitious reform programme that aims to better enable development and help address the infrastructure deficit facing New Zealand. This approach is needed and welcomed. However, to be able to achieve the Government's aspirations, we need better integration and alignment of different reform programmes and regulatory systems. A roadmap – showing how all the related Government reforms fit together and are sequenced would be advantageous. This would allow the reforms to be clearly signposted and interdependencies carefully managed. Misalignment causes confusion, delays, increases costs and confusion, and can result in costly legal cases.

## The amount of reform facing local government is unmanageable and creates significant implementation risks

The local government sector is facing an extreme volume of inter-related reform across many areas- from Local Water Done Well, resource management reform, changes in the building system, to transport, upcoming funding and financing tools changes, and potential rates caps to name a few. Each of these reform programmes will result in significant change for councils to manage, with many occurring on similar timeframes. Implementing all these changes within a short period creates substantial implementation risks and is likely to lead to further inconsistency between councils. Inconsistency across councils is already one of the major challenges facing development, and we are concerned that this will only worsen. While we note the efforts

across these proposals to minimise the impact on local councils, these changes will still require significant effort to implement without appropriate support.

We strongly recommend that the Government develop a clear plan for local government to help engage with and implement the changes facing them. This should include clarity on the future and role of local government, which is being altered tinkered with each reform. A clear plan and vision will also help inform prioritisation and support enhanced resourcing if required. While this is not directly related to resource management reform, it is vital for the success of these proposals.

A related concern is that much of the reform facing local government would result in increased costs without central government funding to support. In the current environment, local government is being asked to reduce their costs and narrow their scope even though central government reform continues to add costs and scope. It is important that local government has access to a range of funding and financing sources, including enhanced central government support, to ensure they can be effective stewards of the assets they are responsible for. The expense of infrastructure facing councils is only likely to increase as pressures on assets and infrastructure increase with the impacts of climate change which will likely require intervention (i.e. planned relocation, strengthening or creation of new infrastructure).

Where national direction proposals require councils to consider specific evidence and data, central government must identify the best dataset or evidence and support all councils to have access to it. As an example, central government must support councils to have access to the latest information coming out of the New Zealand Institute for Earth Science to inform natural hazards responses. This is important because it would ensure nationally consistent approaches across the country based on the best data available. Otherwise, communities with councils that have less capability, or capacity may be disadvantaged or poorly managed risk because they cannot access the best available information.

While we are supportive of proposals that recognise and reinforce national standards and methodologies, these standards and methodologies must be provided to those who need to use them. We are broadly supportive of the use of international standards, but analysis must be done to ensure they are suitable for New Zealand's unique conditions (particularly ecological and ground conditions). Where councils are expected to consider international or national standards, this must be funded by central government. The costs of access to standards can be prohibitive and it should not be expected that rate payers across the country pay for this.

We also note that reliance on standards requires a standards system that has the capacity and capability to produce, update and manage standards that is in line with international best practice. Unfortunately, the New Zealand standards system cannot deliver the required outcomes for success. Further detail and recommendations are outlined in our **position statement**.

## It appears the proposals have been developed in isolation risking misalignment and additional complexity

Resource management is a system, and we don't believe these proposals appropriately recognise or reflect that. We acknowledge that this is complicated in a context with differing decision makers, decisions being made concurrently and over several years. However, a systemic view is required to reduce the risks of unintended consequences.

An overall narrative and worked examples would have assisted our understanding of how each process would work and fit into the broader system. It is important that engineers understand the implications of the proposals on their work, but the fragmented nature of the packages makes this challenging.

Each package, and often proposals within each package, appears to have been developed in isolation. As a result, it is often unclear how the proposals may impact each other and how they interact within the broader development system. The Regulatory Impact Statements provided often do not consider the broader implications of proposals. There is a risk that the analysis undertaken has not accounted for the systemic environment. As an example, the proposed exclusion of infrastructure from the NPS natural hazards risks development of infrastructure being poorly planned and subject to significant levels of risk, particularly as climate change impacts continue to increase. This will result in more costs in the long run where critical infrastructure must be repaired, replaced or moved and having.

Similarly, it is difficult to understand how conflicts between various national direction instruments will be managed. There is no guidance provided on how conflicts are to be resolved, or which situations should take

priority over others. It is important that this guidance be provided, given that under the Resource Management Act there is no hierarchy amongst national direction instruments. As highlighted previously, we have concerns that management of conflicts and tensions that exist, or are being introduced, in the current system are being deferred until the replacement legislation is introduced. National direction instruments that interact with other instruments must clearly reference and link to each other and guidance must be provided on how to navigate conflicts. Not doing so will likely result in increased costs and enhanced risk of litigation.

## Improving the resource management system requires consolidated, clear and workable documentation and direction

To fix challenges within the resource management system, New Zealand needs clear and workable documentation and direction. This requires fewer and clearer national directions and standards to make it easier for those who use and operate within the resource management system. We were expecting this reform package to take a step towards this by consolidating and streamlining national direction to better support the transition into the new system. This has been a missed opportunity to improve the coherence of resource management policy direction and documentation. One opportunity would have been consolidating the electricity-related national directions into one or even into the broader NPS infrastructure.

Engineering New Zealand considers that the lack of clarity in some of the proposed policies and definitions will risk increased interpretation issues. The current system, while challenging, has strong legal precedent that reduces the prevalence of interpretation issues. There is a real risk that interpretation issues of these proposals could result in further variance in regional implementation and more Environment Court cases. The lack of clarity could cause development to stop while the Environment Court works out the interpretation. To avoid this, definitions and direction must be clearly defined and use practical examples to support contextualisation. Greater contextualisation would also support engineers to interpret, understand and assess the impact of the proposals on their work.

An unintended consequence of proposals being developed in isolation is that the language, terminology and tone of each of the packages vary. It is important that each national direction instrument uses consistent language, terminology and tone to help improve understanding. If this cannot be achieved, it should be clearly stated why they are different.

Relatedly, we would like to see better alignment in terminology, policy direction and process across the various systems that support development. For example, there are a range of definitions across regimes that have only minor differences (ie. infrastructure, long-lived infrastructure, critical infrastructure, and additional infrastructure). This increases the risk that the wrong definition may be used, causing delays, rework and increasing costs of the consenting process.

## These proposals may not have struck the right balance between development and the environment

Engineering New Zealand strongly supports efforts to better enable development. We consider that strong planning and consenting processes will help support the delivery of the infrastructure New Zealand needs most.

However, we feel that many of the proposals go too far towards enabling development without placing enough emphasis on environmental outcomes. In some cases, there is a sense that some of the national direction instruments may be relying on others or on the primary act to provide environmental protections. This does not align with the purpose and principles of the Resource Management Act, or with the stated intention of the new system. It is important that each instrument considers and protects the environment otherwise, there is a risk of environmental deterioration. An example of this is in the NPS-infrastructure where it states *"…provided that adverse effects are avoided where practicable, remedied where practicable, or mitigated where practicable"*. Management of environmental effects should scale appropriately and should not allow situations where no protections or mitigations are in place simply because it is not practicable (in this situation, the definition of practicable is also unclear, further increasing the risk of poor effects management).

Related to this, we have a concern that there seems to be a trend across related reform to defer environmental management to the Resource Management System. An example of this, is the removal of the objective for Water Service providers to provide services that "do not have adverse effects on the environment" through the Local Government (Water Services) Bill. This trend means that it is vital the resource management system has robust environmental protections to ensure we do not over-allocate or further degrade our natural environment.

There is also a concern that some of the reduced emphasis on environmental protections may not be in line with New Zealand's international obligations (ie. Paris Agreement). We feel these proposals would benefit from further analysis to ensure that we continue to meet our international obligations.

It will become increasingly important, as the climate continues to change and pressure from extreme weather increases, to have strong natural ecosystems across Aotearoa. Many of these ecosystems (ie. wetlands, floodplains, and sand dunes) act as 'natural infrastructure' to provide protection to communities by buffering the impacts of extreme weather. Additionally, healthy ecosystems provide a range of benefits which our communities rely on (ie. clean drinking water sources) but also benefits that will help reduce overall risk for New Zealand (ie. carbon storage to help slow climate change).

There is a concern that cost drivers will be the main consideration for how we protect the environment and manage environmental effects. While cost is important and we support the inclusion of cost drivers to support decision making, it needs to be balanced with protecting our natural resources. This approach could result in poorer outcomes, reduced natural resources and significantly higher costs for future generations.

Good outcomes rely on having tension on both sides (enabling development and protecting environmental resources) to incentivise sensible, innovative and cost-effective outcomes.

## These proposals inappropriately reduce iwi engagement and matauranga Māori concepts

Natural resources are generally considered taonga under Te Tiriti o Waitangi. Māori are the kaitiaki of many of New Zealand's greatest natural resources; traditional environmental management techniques have been developed and refined over hundreds of years. The role of Māori must be preserved throughout the resource management system. Projects developed in collaboration with iwi, using matauranga Māori concepts can result in better outcomes not only for the environment but also for quality design that delivers for local communities (ie. Te Pae convention centre in Christchurch or Te Ahu a Turanga Highway).

Engineering New Zealand is concerned that iwi participation and matauranga Māori concepts are being reduced across the proposed packages. Several of the proposals are not in line with the principles of Te Tiriti o Waitangi. Further, some of the proposed wording for iwi participation is opaque and could create issues where iwi is not engaged when they should be. An example of this is in the NPS-infrastructure where engagement with iwi should occur in *"appropriate circumstances"*. There is no description of what that means and appropriate circumstances will mean different things to different people. We recommend replicating, enhancing and preserving the existing approach to iwi participation and matauranga Māori within the existing system.

## Spatial planning is a critical tool to improve the resource management system

The identification of spatial planning as a *"core tool for aligning housing and infrastructure planning"* is welcome. Engineering New Zealand is strongly supportive of strong, integrated spatial planning that enables the right things to be built in the right places at the right time.

However, we feel that the role of spatial planning should be much stronger across the national direction instruments, particularly NPS-infrastructure. While there are a range of provisions that reinforce the role of spatial planning, we are concerned that there are other provisions that diminish it (i.e. leapfrogging proposals outlined in package 4- Going for Housing Growth). To minimise the need to change national direction policies in the new system, we recommend stronger links and prioritisation of the role of spatial planning. The future system must help rationalise and streamline the number of strategic infrastructure documents across local and central government. We would like to see prioritisation of spatial planning that takes a systemic approach and helps reduce duplication.

We will provide more detailed comments on spatial planning in our submission on package 4.

## Successful implementation requires strong technical input

The success of these proposals will rely on strong implementation. Engineering New Zealand would like to ensure that decision-makers and councils engage with technical experts when implementing these changes. This will help manage interpretation issues and ensure that processes consider the appropriate technical detail. Engaging technical experts will be particularly important when developing an approach to risk-based decision making.

Additionally, we would like to see the development of more nationally consistent engineering standards in district plans that better align with policy direction. Currently, there is significant variation in engineering standards used across councils that would benefit from increase standardisation.

## Support for Water NZ and Rivers Group

Engineering New Zealand endorses the submissions of Water NZ and the NZ Rivers Group (a specialist interest group under Engineering New Zealand), both of whom represent many specialist engineers working within our water systems. We defer to their detailed comments, particularly in relation to the potential impact on water services and infrastructure.

Their key points are largely:

- Growth and a healthy environment should not be mutually exclusive. Ensuring that environmental values are met, and infrastructure and housing provision continues in an efficient, effective and sustainable way is paramount.
- National Direction policy must consider the health and sustainable management of water resources. The availability, capacity and performance of many drinking water and wastewater treatment plants and associated networks are unable to support significantly enhanced growth. Many networks are already struggling with capacity issues. This could lead to significant public health risk and further environmental degradation.
- Avoiding new development and supporting infrastructure in high-risk areas is the cheapest and most effective method for saving lives and livelihoods. We must avoid building or intensifying infrastructure provision in high hazard risk zones, for example, flood plains and coastal fringes.
- Water NZ considers it a controversial change to revise or remove Te Mana o te Wai. They do not support rebalancing the current National Policy Statement on Freshwater Management (NPS-FM) including removing the Te Mana o te Wai and the hierarchy of obligations. The proposed rebalancing would significantly weaken protections of freshwater health and, as a result, perpetuate the existing trends of water quality degradation.

## New Zealand Geotechnical Society

The New Zealand Geotechnical Society (NZGS) is a collaborating technical society of Engineering New Zealand which has about 1,600 geo-professional members. NZGS members deal with the ground and natural hazards daily. A good understanding of ground conditions and natural hazards is imperative to support the safe and resilient development New Zealand needs most and must be included in the planning process. Since 1760 there have been at least 1,500 deaths from landslides in New Zealand, making them one of New Zealand's most significant natural hazards. The Resource Management Act is held in high regard internationally. The NZGS is supportive of Engineering NZ's comments within this submission and have contributed to its development.

Thank you again for the opportunity to provide comment on these proposals. Engineering New Zealand is supportive of efforts to simplify and streamline the resource management system and enable well-placed and planned development that serves our communities. However, we implore that decisions within resource management reform includes strong analysis of systemic impacts and interactions with broader reform programmes.

We look forward to continuing to engage on the resource management reform programme. If we can be of any assistance or provide further information, please do not hesitate to contact us.

Nāku iti nei, nā

**Dr Richard Templer**
Chief Executive

# Appendix: Detailed comments on proposals

## Package 1- infrastructure and development

Engineering New Zealand is supportive of the goals and policy intent of this package. Enabling infrastructure will be a critical step towards addressing New Zealand's infrastructure deficit. However, we are unclear why these proposals are all separate. This was an opportunity to combine and consolidate development-related national direction to help support a more consistent and clear resource management system.

### NPS- Infrastructure

The introduction of an NPS for infrastructure is welcomed and a great step towards better enabling the infrastructure we need most. We are thankful for the work officials have done to consider the feedback that has been provided in this space across several years. The policies within this NPS are much further developed and have more advanced drafting than some of the other packages, which makes it easier to understand and engage with.

Engineering New Zealand is supportive of ways to reduce consenting timeframes and to enable construction to commence promptly. We also support efforts to reduce consents for service continuity with minor effects and to reduce duplication in information requirements across regulatory regimes. These measures should help support more effective provision of critical infrastructure. Enhanced infrastructure planning will also help reduce our infrastructure deficit and ensure communities infrastructure needs are reflected now and in the future.

We are also broadly supportive of the following proposals.

- Most of the described benefits of infrastructure.
- The proposal to enable more effective use of existing infrastructure, including maintenance, upgrades and re-consenting and better asset management (a priority highlighted by the Infrastructure Commission).
- Enhanced engagement and role of infrastructure providers, which should support better infrastructure outcomes.
- The inclusion of infrastructure supporting activities, as these activities are important to the efficient operation and delivery of infrastructure.

While we support the NPS-Infrastructure, we are not clear how some of this document aligns with an NPS's stated purpose – "*objectives and policy for matters of national importance to achieving sustainable management purposes of the Act*".

*Benefits of the proposed NPS- Infrastructure*

While we agree that there will be a range of benefits that result from the introduction of the NPS- Infrastructure, we question the appropriateness of describing *"reduced service costs"* as a benefit within this document. Additionally, the stated benefit of *"greater likelihood that infrastructure projects can be consented"* misunderstands the problem. Most consents are granted; the issue is the cost and time involved in obtaining a consent.

*Enhanced use of spatial planning and better alignment*

While we understand that the proposals attempt to manage the impact on local government, in particular planning documents. We would like to see a stronger link to spatial planning that mirrors some of the concepts being explored in the package 4 going for housing growth proposals.

We are concerned that some provisions undermine the importance of spatial planning (i.e. P2(e), and P3(1a) and potentially P4). This could risk reduced investment in robust spatial planning due to situations that allow it to be bypassed. At a minimum, more clarity is required to explain when it is appropriate to deviate from a spatial plan.

As mentioned in the high-level themes, we are broadly concerned with the lack of alignment across instruments but also across reform programmes. We would like to see intentional alignment between some of the proposals provided in the draft National Infrastructure Plan and the NPS- Infrastructure. While this might not be possible in the current iteration, alignment must be prioritised within the new resource management system.

*Objectives*

We feel the proposed objectives are missing an explicit objective around environmental protection. While it is mentioned in one of the objectives, environmental protection warrants separate and explicit recognition. Additionally, some of the wording on enabling infrastructure – could include better acknowledgement of environmental protection objectives.

It is unclear why *"identify infrastructure outcomes that planning decisions would contribute to"* should be a proposed objective of the NPS.

Additionally, we recommend a stronger reference to the importance of resilient infrastructure. While some elements of resilience are captured, the significance justifies explicit inclusion within the objectives. Including these will help provide a better balance between the objectives.

Otherwise, we are broadly supportive of the objectives.

*Definitions*

As previously noted, clear definitions are vital to a successful system. We have concerns regarding some of the definitions provided.

It is important that definitions of infrastructure are consistent across regulatory regimes. There is a risk that definitions across this consultation, the proposed specified infrastructure definition and the existing definition under the primary Act, and potentially other reform programmes, are not consistent. There must be alignment across regimes to ensure clear understanding and interpretation.

It is also important to ensure that all forms of infrastructure are captured, with particular importance placed on lifeline infrastructure. If the intent is to enable development, lifeline infrastructure is critical to successful (and profitable) development. There are situations where development is stalled or rejected due to challenges getting water to or waste away from development. This also ensures that communities have the infrastructure they expect with levels of services and resilience that are of a consistent national standard.

We are supportive of the inclusion of infrastructure that delivers flood management services but question the lack of recognition for 'hard' flood management infrastructure, such as stop banks and groynes. Additionally, it is difficult to see where this inclusion exists in the drafted material (explicit reference only in relation to Stormwater Network). We recommend including a clear definition that captures the intent of the inclusion- this could be included in the additional infrastructure definition.

Finally, we question the use of the terminology *"lawfully established and constructed"* in the existing infrastructure definition, as this can be difficult to prove for older infrastructure (e.g. water supply lines over private property, where 'handshake' agreements now complicate access and maintenance). Alternate drafting could be used to better reflect the intent without unintended consequences.

*Miscellaneous comments*

It is not clear enough how the proposals would apply in situations where infrastructure crosses council boundaries. Clarification is needed on how councils should plan, manage, or quantify benefits from cross-boundary infrastructure (i.e. roads).

The proposal states that in reconsenting or upgrading existing infrastructure, only the change or increase in effects needs to be considered. While we support this, there should also be consideration of evolving community expectations or technological advancements.

## Energy-related proposals

At a high level, we are supportive of changes to national direction that intend to enable robust and resilient infrastructure and support efforts to increase low-emission energy solutions. Efforts to improve consistency are welcome, and we are supportive of the inclusion of relevant codes of practice and standards.

As with the NPS- infrastructure, we welcome the efforts to make it easier to maintain networks and enhance asset management.

We are encouraged by the efforts to enhance renewable energy solutions and would like to see more tools to incentivise private investment. However, there is a concern with increased domestic EV charging, where the proposals may not appropriately manage the associated fire risks.

One concern we have is that the proposals are silent on the fact that transmission lines are often highly contentious with the public. People do not like high voltage wires over their neighbourhood and will go to court to stop them, because they know it reduces property values. The proposals may benefit from further consideration on how to balance and manage community perspectives to better support service providers.

The discussion document questions whether developers should be required to consult with electricity distribution providers before a resource consent is granted. We consider that this should depend on the scale and zoning of the proposed development. Minor single-home developments shouldn't be subject to this requirement, while medium- and large-scale developments should. This would better enable service providers to manage and understand the future capacity requirements.

## NES- Granny Flats

Engineering New Zealand recently submitted on the proposed changes to the Building Act to enable granny flats. From this **submission**, we want to note the need to ensure that infrastructure networks, particularly the three waters (drinking, waste, and storm water), can support the additional load. In many areas, these systems are already under significant pressure. Additional demand must be appropriately managed to avoid overloading existing capacity. This includes ensuring that environmental impacts are mitigated and that outcomes provide New Zealanders with safe, sustainable, and quality buildings.

We support the proposal to allow only one granny flat per property and the specified setback requirements. This should help manage some of the risks and perverse incentives that accompany more permissive policy. We recommend enhanced consideration of ground conditions and hazardous locations. As granny flats will not be subject to oversight or approvals, it is important that they are not constructed in locations of concern to protect the safety of future occupants who may not understand the risks involved (ie. on a slope that may have enhanced risk of landslides).

The discussion document asks if the NES- Granny Flats should align with the building consent exemption proposal. We are unclear on the purpose of this question and would like to understand why misalignment between the two policies is being considered. In our view, alignment would support consistency and ease of implementation. It is not clear what outcomes would be achieved by intentionally keeping these policies out of step with each other.

Related to this, we have concerns that some of the common terminology used in this space is inconsistent. As previously highlighted, it is important that definitions are clear, and language is consistent to ensure strong understanding and reduce the risk of misinterpretation. Of particular concern is the terminology used to describe these buildings (ie. granny flats, minor residential dwellings, small stand-alone dwellings). We recommend that a single name is used across all aspects of the development system that reflects the nature of the buildings being constructed.

## NPS- Natural Hazards

Engineering New Zealand is strongly supportive of efforts to manage, plan for, and protect people and their assets from natural hazards. Recent emergency events have highlighted the urgent need for a strong regulatory environment that helps build and incentivise resilient infrastructure in the face of increasing natural hazards. However, we are not certain that the proposed NPS, as currently drafted, will result in much change or have significant benefits. The proposals are generally lacking clarity, with many exclusions, and need to be more directive to support councils.

We recognise the range of reform happening in this space and would like to see better alignment across reform efforts (including the anticipated National Adaptation Framework and emergency management reform).

We agree with the posed problem but think the benefits of resilient infrastructure may be underplayed. Resilience is often viewed as expensive. But if done well and early, then resilient infrastructure can reduce project costs. We note that the discussion document states that the cost of mitigating natural hazard risk may be prohibitive for applicants and could prevent development from proceeding. We consider that, in such cases, it is likely that the development is proposed in a high-risk area; therefore, appropriate for the development not to proceed.

*Spatial planning that includes natural hazards is critical*

We are supportive of measures to reduce and manage risks of natural hazards and an enhanced focus on a nationally consistent approach. The future system must incorporate natural hazard management into spatial planning. However, we consider the NPS is unlikely to change some of the risk-averse nature of local government, as this behaviour is generally driven by liability arrangements (noting that councils are usually liable for the costs of natural hazard events).

*Missing important hazards*

This proposal is clearly missing a range of natural hazards and the explanation for why some hazards are excluded is lacking in detail. This NPS must cover the full range of natural hazards to be effective and to manage the risks to our communities. Excluding hazards like wildfires or volcanoes disregards the scientific basis of mapping and modelling that already exists. Additionally, it would be more appropriate to reference earthquakes rather than liquefaction and active faults. Another hazard that is clearly missing is landslides, which often have significant impacts on private property and can be triggered by various other natural hazards.

*More direction is required*

Councils will need clear direction on what they are expected to do and how that may impact their planning and consenting processes (i.e. should they be declining development in flood or slip-prone areas). Related to this, it is unclear what benefit this proposal will have with the proposed approach to implementation. If the intention is to reduce the impact of implementation, then these proposals should simply be pursued as part of the development of the new system. It is clear from some of the drafting that this NPS would function better in the new system (i.e. the proposal around proportionate management).

*Exemptions of infrastructure and primary production*

Engineering New Zealand is disappointed to see that infrastructure is excluded from this proposal. It is important that infrastructure is considered in this system. Resilient and well-placed infrastructure plays a significant role in natural hazard management (i.e. appropriate storm water systems, resilient telecommunication systems, or infrastructure that is positioned out of higher risk areas like floodplains or fault lines). The management of linear infrastructure is important and linked to community expectations (i.e. roads not being damaged to the point where communities are inaccessible or expectations around the time it takes to be reconnected to power/water infrastructure post-emergency). Additionally, if the NPS is intended to play a role in resource consenting, then excluding infrastructure does not make sense. Infrastructure plays a key role in the assessment of the appropriateness of development, particularly linear infrastructure. While the exclusion of infrastructure could be mitigated with the design and construction of high-quality infrastructure that delivers for the demand expected across its life cycle, achieving this would require significant societal and system change (as our consenting systems are designed to encourage minimum standards not incentivise high-quality).

We also believe that exclusion of primary production is too broad and risks unintended consequences. There is often a significant amount of infrastructure (ie. irrigators, milking sheds) associated with primary production. The exclusion risks the safety and integrity of these structures from natural hazards. We recommend that this exclusion is narrowed to the low-risk activities that were intended to be captured rather than a broad exemption.

*Proportional approach to risk and the proposed risk matrix*

Having a risk-based approach to natural hazard management is appropriate and ensures development is not unduly impacted in areas of low concern. We also support a proportionate approach to risk-based hazard management, as long as the protection of human life remains the primary driver in decision-making.

We are concerned that the proposed risk matrix is overly simplistic and open to interpretation (risking inconsistent implementation). It does not consider the nuance or complexity involved in natural hazard risk management. While we acknowledge that some existing approaches are overly complicated and difficult to interpret, it is hard to see how this simplified approach will be useful. A better balance is needed between comprehensive risk assessment and a clear, workable framework for councils and the sector.

A nationally standardised framework should better align with existing approaches that are already used in the sector (ie. AGS risk matrix and ISO 31000:2018). We would also like to see risk assessments consider not only

where you are building, but also the surrounding environment to better manage risks (i.e. risks of landslides on nearby properties).

It may be beneficial to consider developing a risk matrix for each distinct natural hazard to better manage the unique impacts and consequences they have (an example being liquefaction risks can usually be mitigated to meet building code requirements, but the proposed matrix would assess this as a medium even with the mitigations in place).

*Definitions and need for further detail*

There is also a concern that the proposed risk matrix does not provide enough detail or definitions to be useful. The definition of consequence levels is missing making it difficult to assess risk. It is unclear which aspects of property is being referred to (this could be a building site, land supporting a building, land connected to a site, etc) this requires a stronger definition. Additionally, the definition of “damage to property” needs to be refined. This definition does not consider the size the property nor if hazards only apply to specific areas. There is a risk that the definition as it currently stands may hinder development in large rural areas where proposed development has much lower natural hazard risks than other parts of the property (ie. area of flooding risk in one area of the property that would not impact the proposed area of development).

*Need to review classifications on a specified basis*

It is important that the classification of risk-prone areas is reviewed at least every ten years or when there are significant changes in the environment, technology, science or community expectations. This will help avoid situations like what was seen in Auckland, where some houses were listed as flood-prone but not updated later, having an impact on people buying and selling properties.

*Importance of nature-based solutions*

The proposed NPS is missing the previously proposed direction from the draft NPS-NHD on the use of 'nature-based solutions' as a priority when considering how to best mitigate natural hazard risk. Nature-based solutions (or 'green/blue infrastructure'), like widening river corridors so they can flood safely, restoring wetlands, or enhanced use of green roof and rain gardens in urban areas can significantly reduce natural hazard risk and can be cheaper than traditional solutions. These also have recreational and environmental health benefits. We suggest nature-based solutions be incorporated into the NPS, so these options are given proper consideration in decision-making, better reflecting best practice natural hazard mitigation.

## Package 2- Primary Sector

The primary sector is not an area of expertise for Engineering New Zealand; however, we are concerned that some of these proposals will result in poor environmental outcomes. We defer detailed commentary to others who have more expertise in this area.

We have some concerns that amendments to the New Zealand Coastal Policy Statement may result in degradation of coastal environments and that the longer-term implications of climate change (i.e. rising sea levels) may not be appropriately considered. This is especially a risk where these ecosystems are providing a natural defence against the impacts of extreme weather (noted in existing policy 26).

We are also concerned that amendments to the National Policy Statement for Highly Productive Land may lead to greenfield developments being prioritised over food security. As a principle, Engineering New Zealand supports intensification where possible, as greenfield developments generally have worse environmental outcomes and high infrastructure costs. In some situations, development on land suitable for food and fibre production may be appropriate due to immediate housing needs, but our preference is that these situations should be managed on a case-by-case basis.

We have further concerns that some proposals relating to farmers could negatively impact our waterways and wetlands. Please refer to the submission of the NZ Rivers Group for detailed comments on these issues.

## Package 3- Freshwater

Engineering New Zealand strongly supports a freshwater system that improves the overall quality of our freshwater ecosystems and water networks and ensures our future generations can utilise one of our most

precious natural resources. It is important that these changes align with the new system in a way that freshwater plans were intended and balances enabling critical infrastructure with thriving waterways.

*These proposals would benefit from more time to build robust understanding and analysis to avoid unintended consequences*

It appears that the understanding of the freshwater management system underpinning these proposals is somewhat limited- including how it fits into the broader resource management system and the interaction it has with other proposals/reform programmes. An example of this is frequent reference to the desire to increase flexibility for "district councils" when freshwater management is the jurisdiction of regional councils.

Some of the analysis provided is not sufficient or may misstate some of the outcomes. We are also concerned that the some of the options proposed may have unintended consequences that may result in delays to the delivery of critical water infrastructure- an example is where the Regulatory Impact statement states "this option comes with an increased risk of debate and litigation through the freshwater planning process".

Related to this, we question whether all the proposals are in line with government priorities. An example of this being the proposal to remove mapping requirements. It is important that we improve the availability of and access to high quality data, which is in line with government priorities. For instance, where it is difficult for data to be developed (in this instance mapping), the government must play a role in enabling it. In this situation the government could enable access to this through Public Research Organisations who could provide support with consistent methodology, definitions and standards.

We note that the NPS-FM has not been fully implemented yet, with no regional council having been able to progress plan changes to give effect to the 2020 NPS-FM in its entirety across their whole region. Even though the justification of some of these proposals relate to challenges within the existing system or due to implementation costs. Councils need time to implement these changes rather than having to adapt to a constantly changing policy environment.

*Opposition to the removal of Te Mana o te Wai*

The proposal to remove or reduce the emphasis of Te Mana o te Wai is concerning. This approach has been strongly implemented by councils and industry. The industry is in a position where it is reasonably well understood and often contributes to better outcomes. The problem with Te Mana o te Wai is being framed as an interpretation issue- this would warrant clearer guidance and support on its application, not to remove or dilute the policy. Engineering New Zealand supports retaining Te Mana o te Wai, with a stronger focus on how to enhance the importance, value and outcomes it delivers. Please refer to the submissions of the NZ Rivers Group and Water NZ, who provide detailed comments on this.

*National objective framework needs to retain national bottom lines and support standardisation*

Much of the proposed policy change is intended to provide councils with more flexibility. However, we believe the NPS-FM already provides reasonable flexibility to councils to consider various community outcomes and changes to enhance this further may not be needed. For example, it allows for regional councils to maintain lower levels of water quality in areas that might be used for intensive agriculture, provided water quality at least meets the bottom lines set in the National Objective Framework.

Engineering New Zealand is concerned that proposals within the National Objective Framework question the importance of national bottom lines. The lack of bottom lines in the resource management system was a key contributor to the exacerbation of cumulative effects impacts, degradation of water quality despite increasing consent conditions, and protracted regional planning processes due to debates over the 'science'.

We also question whether the proposed flexibility for attributes in the National Objective Framework would be counter to the focus on national standardisation and nationally consistent understanding of quality of the freshwater system. Engineering New Zealand is strongly supportive of standardisation where it makes sense to do so, providing a consistent approach and understanding of quality no matter where you are in the country.

*Environmental protections are important for the health of all New Zealanders*

We have concerns that some of the proposed changes to the objectives may in effect, make some of the compulsory objectives optional. There are only four compulsory values at present: ecosystem health, human

contact, mahinga kai, and threatened species. The existing objectives are all important and should not be optional in decision-making.

The proposed new objective to consider the pace and cost of change, and who bears it, has the potential to have a positive impact. However, we note the Resource Management Act already requires this (through the production of s42a reports). If introduced, it is important that this is balanced with the other objectives to avoid a situation where economic assessments and externalities drive decision-making over environmental ones. Relatedly, we would like to see economic assessments have a holistic approach where environmental externalities are considered. The priority should remain on the health and wellbeing of our waterways as providing the foundation our communities and economy are then built on.

Some proposals to simplify existing freshwater provisions may have gone too far and could have detrimental environmental impacts. For example, the simplification of wetland provisions may enable farming in wetlands, worsening their health. There are only 10% of original wetlands remaining in New Zealand- a critical piece of natural infrastructure, helping to filter water and reduce flooding. The removal of the mapping requirements could mean the continued unseen loss of wetlands, further threatening these ecosystems and their services.

As outlined previously, Engineering New Zealand would like to see a better balance between enabling infrastructure and preserving, and enhancing, our natural environment. Please refer to the submissions of the Rivers Group and Water NZ for further detail.