

Ruapehu District Council

Verbal Submission: on Horizons "One Plan: 3 July 2008

'Overall Plan'

Introduction

My full name is David James Hammond. I am currently the Chief Executive of Ruapehu District Council, and am speaking today on behalf of Council and our community. My submission today will not be on the technical aspects of the Proposed One Plan, as was Mr Forrest's, but will concentrate on our key submission points relating to the overall Plan.

Ruapehu agrees with the earlier spoken submission of Good Earth Matters (GEM) on behalf the collective territorial authorities. Many of the key points that were expressed in our written submission on the 'Overall One Plan' have been covered by GEM, but there are some points Ruapehu needs to make separately on behalf of our community.

Social, Economic and Cultural Wellbeings

Firstly, Ruapehu District Council thanks the Hearing Committee for the opportunity to be heard in support of its submission on the Proposed One Plan. Ruapehu acknowledges the time and effort Horizons has put into the Proposed One Plan, and into the positive pre-hearing process that addressed a number of concerns separate to the issues raised today. While we can agree with Horizons that it is necessary to have sustainable environmental management, Ruapehu has concerns that Horizons had not adequately taken into account sustainable *community* development whilst it was developing the proposed Plan, and the effect and rate of change that the Proposed One Plan will have on small rural communities heavily reliant on the agricultural sector's stability, and into the wider Ruapehu urban economy.

Council identifies this Plan as having potentially the single most significant impact on farming practices, and the rural economy of the Ruapehu hill country, and are surprised that the work we need to see on modelling potential impacts on the social and economic wellbeings of our rural District have not been undertaken; Nor is there a willingness to do so. However the legislative imperative for doing so is clear, in our opinion:

- The purpose of local government, as stated by the Local Government Act (LGA) 2002, is, "to promote the social, economic, environmental and cultural wellbeing of the community in the present and into the future...".
- S.23 of the Resource Management Act (RMA) states that compliance with the RMA *does not remove* the need to comply with all other applicable Acts; in this case, the LGA 2002.
- The RMA s.5(2) states that, "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 ...".

These Acts both promote sustainable community development, not simply sustainable environmental management. The reason is because in order for sustainable environmental management to be successful in the longer term, sustainable communities are required – simply; people must see the benefits of environmental management reflected in their economic and social wellbeings. To arrive at this requirement, considerable research needs to be undertaken on both the rate of introducing change (as directed by RMA s.5(2)), to ensure that the effects of change on communities' economic and social wellbeing are well understood, and secondly, that the rate of change is suitable to the community's

sustainable future. This requirement of the RMA has, quite simply, not been done with the Proposed One Plan.

Under LGA requirements, the Proposed One Plan needs to give attention to economic, social and cultural wellbeings, commensurate to the significance of that Plan to the community. The brief s.32 Analysis presented does not match the commensurate impact of change expected in the Ruapehu, nor is the effort in understanding the economic and social wellbeings to our community commensurate to the investment in science that went into understanding the environmental wellbeing. We do not believe that either the RMA or the LGA 2002 gives a local authority the choice of promoting one wellbeing above another.

Clearly that balancing of effort and statutory responsibilities equally to all wellbeings, has not yet been demonstrated, and Ruapehu struggles to support the intentions of the Proposed One Plan in entirety until it know what the impacts on its communities are, and how Horizons is mitigating those impacts through the rate of change as required under s.5(2). Because of this reason the Council was confused when the proposed Plan was notified, and submitted that it be withdrawn until such time as the commensurate and thorough work required on social, economic and cultural wellbeings had been commissioned, and the recommendations of such an eventual report, considered.

Having raised our concerns with the adequacy of the s32 Analysis over time with Horizons and wanting a positive response to these issues, the answers presented to our Council have ranged from Horizons instructing our Council to, 'Test this in court,' to offering that, 'We don't know what such an economic and social impact assessment would look like or achieve', and as was said by Horizons representation to a stunned Ruapehu Council's 8 August 2007 meeting, 'Social and economic wellbeing is the job of the *District Councils*.'

We understand that both John Maassen and Phillip Percy dispute that there is a requirement under s.32 of the RMA for a 'full, detailed or regional scale economic cost benefit analysis', as was pointed out on page 10 of Helen Marr's Planning Evidence and Recommendations Report. In Helen Marr's Planning Evidence and Recommendations Report, on page 26, it is stated: "Submissions related to this main point claim some lack of compliance with s30, s32 and s5 of the RMA. These submissions are vague and *I am unable to discern* which parts of the plan are they claim are defective and which provisions of the RMA have not been complied with from the submissions."

The legal definition of the bare minimum for compliance is not upholding the responsibility that a regional council has to its communities, in our view, that would have been demonstrated by putting equal emphasis on the economic and social analysis as Horizons achieved in the commissioning of science to support its environmental wellbeing analysis. We note that the 'Quality Planning' website, with its best practice guides for Planners, states that the s.32 Analysis process requires a *rigorous* assessment of environmental, social, and economic benefits and costs. This analysis must be transparent and well documented, with all assumptions and decisions justified. Ruapehu Council's point is that the overall One Plan proposal should have been tested against a rigorous social and economic assessment to determine the global impacts, and recommendations then made to modify strategies and to stage the rate of change.

While Horizons have conformed to producing a s32 Analysis, in our judgement the report does not fulfil the tests of rigour, transparency or suitable justification of many assumptions. One example of many, to us, of this lack of transparent and rigorous assessment is found on Page 52 of the s.32 Analysis where it states that, 'the alternative of managing HEL land through a resource consent process was considered to be significantly more costly to both the community and individuals... than the whole farm approach'. It is a generalised statement without disclosed analysis to support. It does not allow Ruapehu Council to make any informed judgments on this important matter to our rural area. Further the Analysis states that the cost to the community of Whole Farm Business Plans (Farm Plans) is just above 'low'.

However, issues Ruapehu have with this basic economic analysis are:

- The cost of the Farm Plans is heavily subsidised by the general regional ratepayer and Government. There is an obvious equity issue for the region's ratepayers.
- The majority of Ruapehu hill country is classified as HEL, and contains the largest land area with this classification. However, as Farm Plans are being prioritised to Rangitikei and Manawatu (SLUI Priority Areas Map; page 9 Alan Kirk evidence), much of the Ruapehu will be subject to the Resource Consent regime for many years, and not see the widespread subsidised benefits of Farm Plans.
- Farmers implementation costs from an eventual Farm Plan have also not been costed, which also highlights the limitations of the s32 analysis. Our understanding is that there are numerous marginal farms in the Ruapehu, and that if subjected to retiring land area, will lose productive capacity and become uneconomic. This is a significant concern to our economy and should have been modelled in an overall economic and social impact analysis. Farmers who believe they are living on this sort of land are highly alarmed. Even the very cost they will face in contributing to retirement or land management methods are restrictive for them, and especially when they see the potential land value of their farms falling as a result of the classification. The s32 analysis gives no evidence, modelling or warning to allow these farmers to prepare. The analysis is silent on rate of change.

A second example of lack of rigour Council finds in the s32 Analysis is with the, 'Benefits to the community' assessed from Farm Plans stated on Page 57; Option 1. A high benefit to the community is assumed from the approach, and the Analysis states that the approach, 'enables land owners most at risk to be provided with assistance'. In our assessment it is not a high benefit for the Ruapehu community because the priority areas do not target Ruapehu.

Whilst the economic analysis is at a very basic, and in our view, inadequate level, the s32 Analysis does not contain any social analysis. There are only generalised statements without analysis of the social impacts of potential change.

Conclusion

The direct, social and economic costs of the One Plan policies to the community have not yet been investigated adequately. For a Plan that represents the single most significant planning document for the region's economy and highly formative to its communities in future, this lack of rigorous assessment of these effects has been disappointing.

Had Horizons demonstrated in the preparation phase of the Proposed One Plan an equal commitment to economic and social sustainability of their communities, as is their statutory responsibility, and best practice in preparation of the s32 Analysis, perhaps the situation could have been averted.

We asked in our submission that the Proposed One Plan be withdrawn. Despite some encouraging movement around a number of details in the pre-hearing meetings, we believe the fundamental flaws discussed today with the s32 Analysis have not been progressed at all – they are too foundational to the preparation of the Plan to be dealt with in a pre-hearing setting. As a result, withdrawing the proposed Plan remains the best course for Horizons until these, and the structural issues outlined by GEM, are adequately addressed.

This proposed Plan is set to usher in significant structural and social change in the Ruapehu rural economy and communities, it does not have the research investment to model socioeconomic impacts; and in our opinion, has been notified too soon.