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*Ground Cover* tracks legislative and regulatory reform in resource management, local government and planning law.

## Resource Management

### Resource management system review

The draft Terms of Reference for the Government's promised review of the resource management system suggests that it may live up to the hype.

Within scope is whether Part 2 of the Resource Management Act (RMA) should be hived off into separate legislation. But Environment Minister David Parker recognises the value of the case law which has developed around the Part 2 principles and has promised that care will be taken "not to unnecessarily discard those legal precedents".

[!\[\]\(cf531ed27e91483460120fcc057b3901\_img.jpg\) Chapman Tripp commentary](#)

### Single authority to replace Housing New Zealand, HLC and the KiwiBuild Unit

Legislation has been introduced to replace Housing New Zealand, its development subsidiary HLC, and the KiwiBuild Unit with an urban development authority to be called Kāinga Ora – Homes and Communities. It will have two main roles:

- to be a public housing landlord, and
- to lead and coordinate urban development projects.

Phil Twyford will retain responsibility for this policy as Minister of Urban Development. The aim is to have Kāinga Ora up and running on 1 October, although this will require the passage of a second, separate Bill to give it the necessary powers to fulfil its mission. These will include a power to override local government and a power of compulsory acquisition.

[!\[\]\(4f6bf54ae7e4144a72d78316053e412d\_img.jpg\) Statement](#)

### New National Planning Standards

Environment Minister David Parker acknowledges that the new National Planning Standards, which came into effect on 3 May, will create some initial upfront implementation cost to councils but says this will be "vastly exceeded by the savings to those who use them".

The standards address the format of plans made under the RMA, but do not determine matters of substance or policy which are left to local decision-making.

[!\[\]\(19d44b37fb4fa155bf9d60c77a3d3cb2\_img.jpg\) Statement](#)

[!\[\]\(5a351309c3b87e4420622c1f0e57efc0\_img.jpg\) Cabinet paper](#)

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## Budget 2019 sustainable land use package

Parker outlined in a speech delivered the morning after the budget how the \$229m over four years allocated to sustainable land use will be spent:

- \$17m will go toward training farm advisers to support farmers in developing effective farm environmental plans
- \$35m will go to improving advisory and extension services (particularly in at-risk catchments) to assist farmers to adapt their farming operations to meet these plans
- \$10m will be invested in improving pathways to market for high-value products
- \$12m will go to supporting councils to develop and implement freshwater plans to give effect to the new Freshwater National Planning Standard (currently being developed)
- \$59.6m will go to strengthening “decision support tools” in the primary sector, including important enhancements to the Overseer software management tool, and
- \$30m will go to strengthening the integrity of the environmental management system, including improving New Zealand’s science and data.

[Parker speech notes](#)

## Fail message in Environment Aotearoa 2019

Environment Aotearoa is a three-yearly whole-of-system report prepared by the Ministry for the Environment (MfE) and Stats NZ. The 2019 edition identifies:

- almost 4,000 of our native species (plants, animals and eco-systems) are threatened with, or at risk of, extinction
- large-scale conversion of land to grassland, which can be prone to erosion in susceptible areas
- a reducing supply of versatile land and native diversity due to urban sprawl
- water pollution from agricultural uses and urban living
- air, land and water pollution in urban areas, and
- one of the highest greenhouse gas emissions rates per capita in the world.

[Report](#)

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## Climate Change

### “Historic consensus” on climate change – a fragile beginning

The “historic consensus” on climate change which the Government is claiming with the farming sector boils down to an agreement that, come 2025, farmers will pay a farm level price for emissions.

But there is a lot of work to be done to make the farm scheme feasible, and there are competing proposals on what to do in the interim.

The Government is consulting on these now, with submissions due by 13 August 2019.

[Chapman Tripp commentary](#)

### Big policy effort needed for large-scale electrification

A large effort across a range of policy fronts will be needed to achieve meaningful emissions reduction in transport and industrial processing, according to the Interim Climate Change Committee (ICCC).

It advocates changes to the RMA, more policies to support electric vehicle uptake, high hurdles to new coal fired generation and acceptance by the Government that its 100% renewable energy target by 2035 is impractical.

[Chapman Tripp commentary](#)

### Further ETS amendments

The Government has released a second round of policy decisions on its programme of amendments to the New Zealand Emissions Trading Scheme (ETS), building on those issued in December last year.

The changes will be incorporated into an amendment bill to the Climate Change Response Act 2002, to be presented to Parliament mid-year and to come into force in 2020.

Key aspects include:

- introducing an auctioning mechanism for emissions units by late 2020, although with much of the detail left for future regulations, including provision for an independent monitor to be appointed to oversee and maintain the integrity of ETS auctions
- replacing the existing ‘fixed price option’ for purchasing units (currently set at \$25 per unit) with a cost containment reserve. The fixed price option will be removed once auctioning comes into force (or in any event no later than 31 December 2022)
- enabling a price floor to be implemented, by setting a reserve price at auction
- publishing individual participants’ emissions and removals data, and
- introducing a more comprehensive penalty regime with less regulator discretion.

The Government has deferred policy decisions on:

- free allocation of units to emissions-intensive, trade-exposed participants, and
- market governance, which will be subject to a separate work programme to include protections against insider trading and market manipulation and decisions regarding a suitable regulator.

[Proposed improvements to the ETS.](#)

### Chapman Tripp climate change series

Chapman Tripp is producing a series on how businesses can build resilience against climate change – both the physical effects and the regulatory and public response. The first publication *Managing risk in a more hazardous world* looks at how climate change will affect the availability and cost of insurance, and how the insurance market is responding.

Topics to follow include: corporate governance, regulatory drivers, impacts on investment, local government, financing the transition to a low carbon economy, and international law.

Our aim is to provide practical mitigation and adaptation advice, and insight into what the future might look like.

[Managing risk in a more hazardous world](#)

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## Expert panel for National Climate Change Risk Assessment

The MfE has appointed an expert panel to create the framework for New Zealand's first National Climate Change Risk Assessment (NCCRA), to assess what the future risks of climate change will be and where and how New Zealand needs to adapt.

The panel will be chaired by the Prime Minister's new Chief Science Advisor Dr Anne Bardsley.

[↪ Announcement](#)

## Local Government

### Local Government Commission to be disestablished

The Local Government Commission (LGC) will be disbanded after a Department of Internal Affairs report found that its primary function – considering amalgamation proposals – was “no longer essential or useful” and did not provide value for money.

Since the current framework was introduced in 2012, the LGC has promoted five large scale reorganisations, all of which failed.

The Government will also reinstate the requirement that amalgamations can only be initiated at the petition of at least 10% of affected electors (rather than by a single person, as is currently the case).

The changes will be legislated for through a Supplementary Order Paper to the Local Government Act 2002 Amendment Bill (No 2), which began life under the previous National-led Government.

[↪ Minister's press statement](#)

[↪ Cabinet paper](#)

## Heading at a clip – in the wrong direction

The latest Greenhouse Gas Inventory shows that New Zealand's gross emissions rose 2.2% between 2016 and 2017. Agriculture accounted for 48.1% of the total and the energy sector for 40.4% – much of it due to increased transport usage and to fossil fuel generated electricity production.

Net emissions (allowing for the forestry offset) have risen 65% since 1990.

[↪ Greenhouse Gas Inventory](#)

## The well-beings are back

The four well-beings – social, economic, environmental and cultural – have been restored to councils through the Local Government (Community Well-being) Amendment Act. The change unwinds a policy of the previous National-led Government and has been welcomed by LGNZ.

[↪ LGNZ statement](#)

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Chapman Tripp's national environmental, planning and resource management team offers market-leading expertise and a seamless service for all your commercial projects, land use, infrastructure development and consenting needs.

## Contacts

### Primary contacts



**CATHERINE SOMERVILLE-FROST – PARTNER**

**T:** +64 9 358 9813  
**M:** +64 27 486 3309  
**E:** catherine.somerville-frost@chapmantripp.com



**PAULA BROSNAHAN – PARTNER**

**T:** +64 9 357 9253  
**M:** +64 27 216 3952  
**E:** paula.brosnahan@chapmantripp.com



**JO APPELYARD – PARTNER**

**T:** +64 3 353 0022  
**M:** +64 27 444 7641  
**E:** jo.appleyard@chapmantripp.com



**LUKE HINCHEY – PARTNER**

**T:** +64 9 357 2709  
**M:** +64 27 599 5830  
**E:** luke.hinchey@chapmantripp.com



**BEN WILLIAMS – PARTNER**

**T:** +64 3 353 0343  
**M:** +64 27 469 7132  
**E:** ben.williams@chapmantripp.com



**REBECCA TOMPKINS – SENIOR ASSOCIATE**

**T:** +64 9 357 9258  
**M:** +64 22 173 6216  
**E:** rebecca.tompkins@chapmantripp.com

### ETS specialists



**JO PEREIRA – SPECIAL COUNSEL**

**T:** +64 9 357 9886  
**M:** +64 27 559 9139  
**E:** jo.pereira@chapmantripp.com



**ALANA LAMPITT – SENIOR ASSOCIATE**

**T:** +64 9 357 9891  
**M:** +64 27 390 5890  
**E:** alana.lampitt@chapmantripp.com