



**FEDERATED  
FARMERS**  
OF NEW ZEALAND

# 2022 Local Elections **PLATFORM**

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**Platform for a prosperous agricultural sector and  
thriving rural communities**



# Foreword from The National President



## Will this be our last local government election?

I'm not the sort of person who jumps to exaggeration and click bait headlines, but as we will outline in this Platform there are a number of things happening in the local government space that in practical terms could strip local government of its core reasons for being. A range of sweeping changes will put the control of critical infrastructure and rule-making into the hands of an unelected and unaccountable group, likely headquartered far away from rural New Zealand.

In a practical sense the election in October this year could well be the last time we get to elect a council that - for a short time anyway - will be able to have much of a meaningful say in anything important locally. In 2025 we could well just be electing, in effect, the organisers of the Christmas parade.

Local councils are in the news more than ever with the Three Waters juggernaut gathering steam despite a great deal of opposition. And repeal and replacement of the Resource Management Act looks likely to shift responsibility for district planning away from district councils to a more regional approach. Government is on to councils to do more about climate change.

Meanwhile, a major review into the future for local government is underway, due to wrap up next year. There are strong odds that, within this next election term, the shape of local government will be dramatically changed.

Amidst this uncertainty, communities will need sound level-headed representation like never before, as their councils navigate this once-in-a-generation change and fight for local accountability.

For farmers - carrying the cost of multi thousand-dollar annual rates bills and significantly impacted by local regulation - big change in local government is always unsettling. This election we'll be looking for candidates who understand the implications of the big picture changes, can maintain a focus on core services, and are willing and committed to keeping a keen eye on rural needs.

In this Platform we set out our position on these major issues swirling around local government, with questions and advice for voters and candidates. There's certainly an emphasis on the big changes to the delivery of Three Waters services and regulation under the Resource Management Act. Many misgivings there.

There are the basics too. Our need for safe and sustainable rural roads, smart rating systems, and common-sense regulation are enduring. Such things are essential to the wellbeing of the farming community; in times of great change matters simple and important can easily be lost.

Local democracy and representation arrangements protecting the interests of rural communities should be preserved and not lost in a rush to centralisation.

We simply ask this of the good and brave people putting themselves forward as candidates for council in this election: be aware of the challenges our farming communities are facing.

Be daring! Talk up core services, talk down wasteful, feel-good expenditure and big rates increases, and support our farmers in these challenging times, and most of all fight for the right of local communities to decide on how their local democracy functions, not Wellington.

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# Contents

Foreword from the National President.....	i
The Growing Cost of Councils .....	1
Core Services the Key to Wellbeing.....	4
Smart Rating Systems Needed .....	6
Three Waters: Rural Misgivings.....	8
Rural Roads, Vital Networks .....	10
Freshwater: Forging Ahead.....	12
Resource Management Reform .....	14
Climate Change .....	17
Local Democracy and Representation .....	19

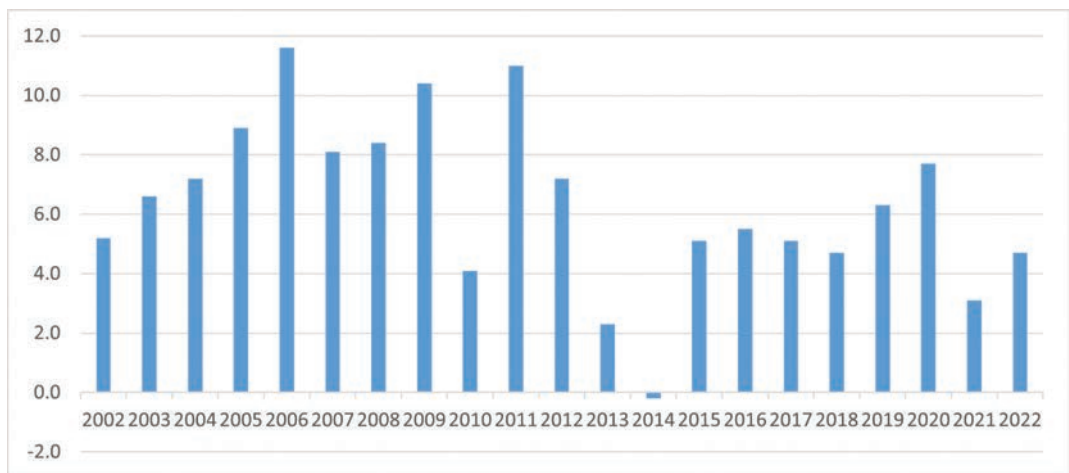
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# The Growing Cost of Councils

It's easy to get the impression that, financially, the local government sector is 'out of control'.

Since 2002 local government annual operating expenditure has increased from \$3.7 billion to \$12.8 billion, with Figure 1 showing each year's percentage increase in operating expenditure.

**Figure 1: Annual percent increases in Local Authority Operating Expenditure (2002-22)**



To fund the higher spending annual operating revenue has increased from \$4.1 billion to \$11.9 billion. Within that number annual rates revenue rose from \$2.3 billion to \$7.2 billion.

Debt has also grown rapidly to meet higher capital expenditure, with total liabilities exceeding \$27 billion - nine times its level in 2002.

There are several reasons for these increases. We can reserve some sympathy where new or expanded regulatory responsibilities and standards from central government are loaded onto councils, or where there's a genuine need for councils to renew or replace existing infrastructure.

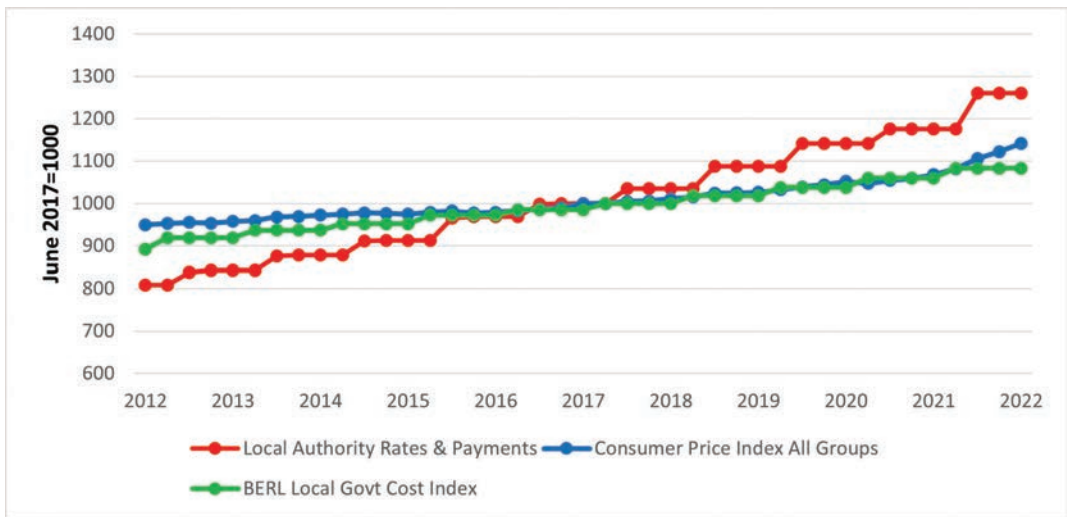
However, big spending is also a result of people expecting much more from their councils, often on nice-to-have projects, without connecting the dots on what they will cost. These calls often come from those that do not pay rates directly or pay little relative to a farmers' contribution. It's really up to councils to remind these people that there is no such thing as a free lunch: this doesn't happen nearly as much as it should.

Federated Farmers believes that councils should do what their ratepayers have to do – make do with the money they have and drive costs out rather than constantly asking for more. They should do more to push back against unworkable central government policy and regulation, especially when it's unfunded.

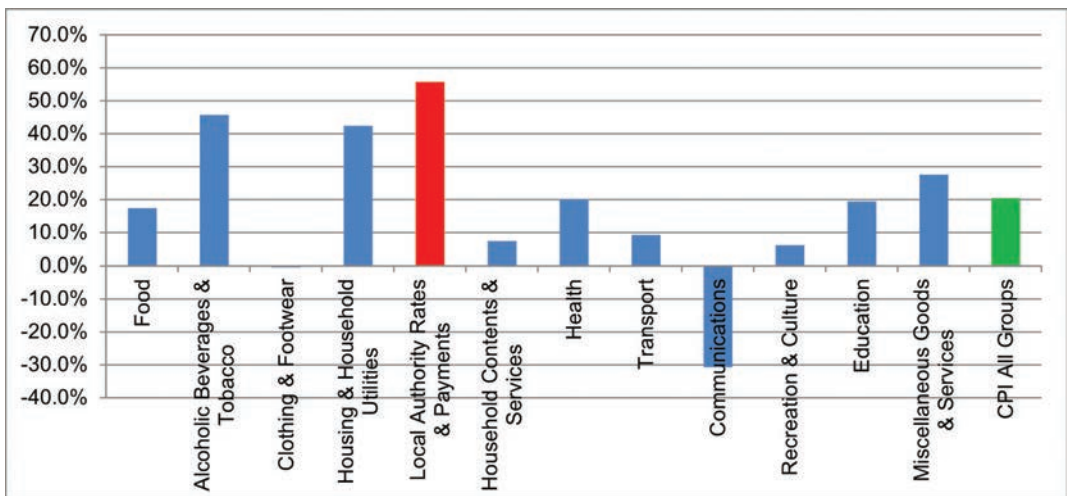
## Rates vs CPI

Figures 2 and 3 below show how the rates component of Statistics New Zealand’s Consumer Price Index (CPI) has grown over the past decade compared to the CPI as a whole and against some of its sub-groups. The local government sector argues that it’s not fair to compare rates to the CPI, because councils’ cost pressures are different from those of consumers. Fair enough, so on figure 2 we’ve also plotted the Local Government Cost Index, developed by BERL for the local government sector. Yet even it shows rates increasing well in excess of local government prices.

**Figure 2: Rates vs Consumer Price Index 2012-22 (June 2017=1000)**



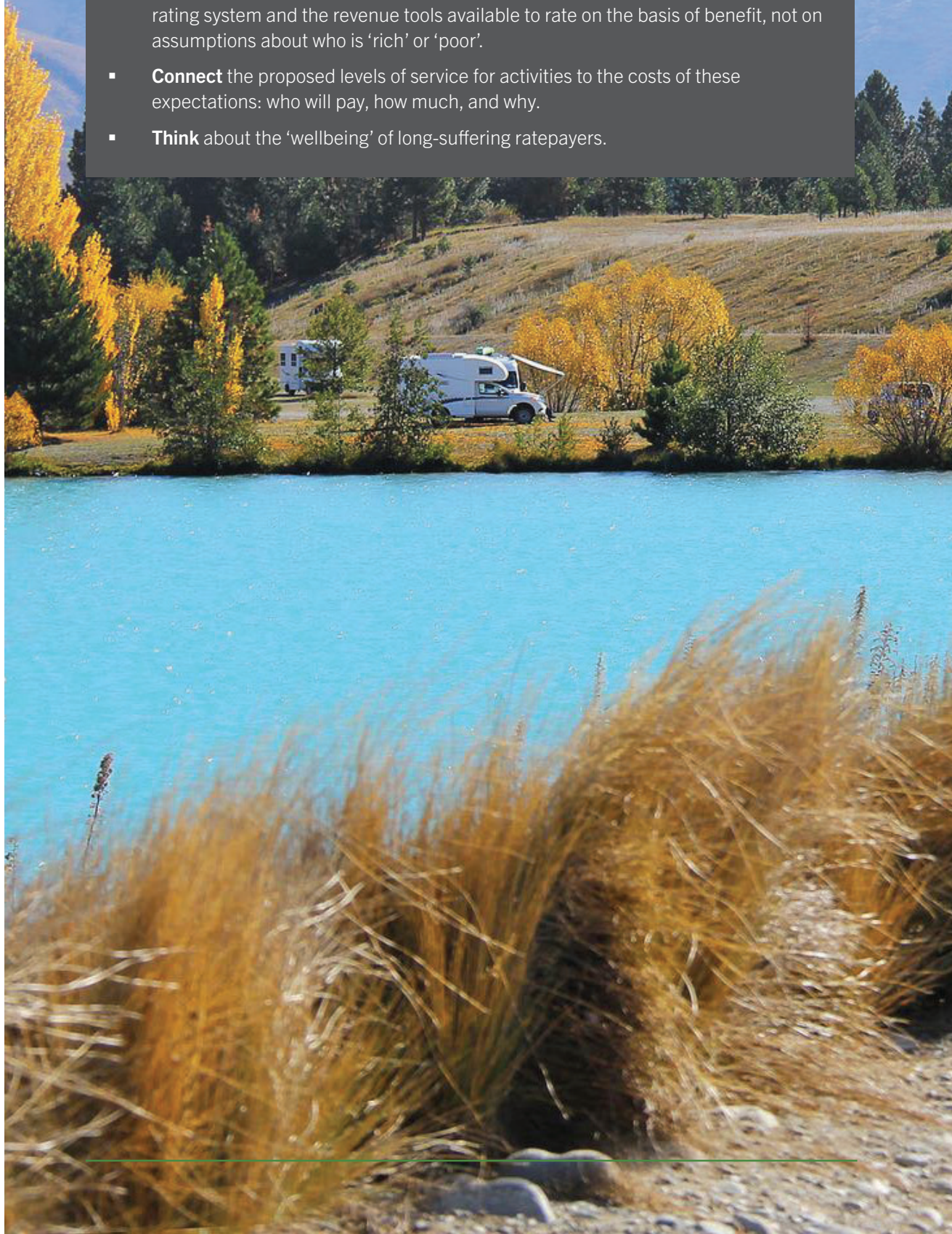
**Figure 3: CPI Groups’ Percent Increases 2012-2022**



## Suggestions for Prospective Councillors:

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- **Aim** to contain rate increases within the level of inflation: rate rises should not exceed other costs faced by ratepayers.
- **Focus** on core service delivery: that is, councils doing things that would not otherwise be provided by the private sector.
- **Identify** those who benefit directly and indirectly from council activities. Use the rating system and the revenue tools available to rate on the basis of benefit, not on assumptions about who is 'rich' or 'poor'.
- **Connect** the proposed levels of service for activities to the costs of these expectations: who will pay, how much, and why.
- **Think** about the 'wellbeing' of long-suffering ratepayers.



# Core Services

## the Key to Wellbeing

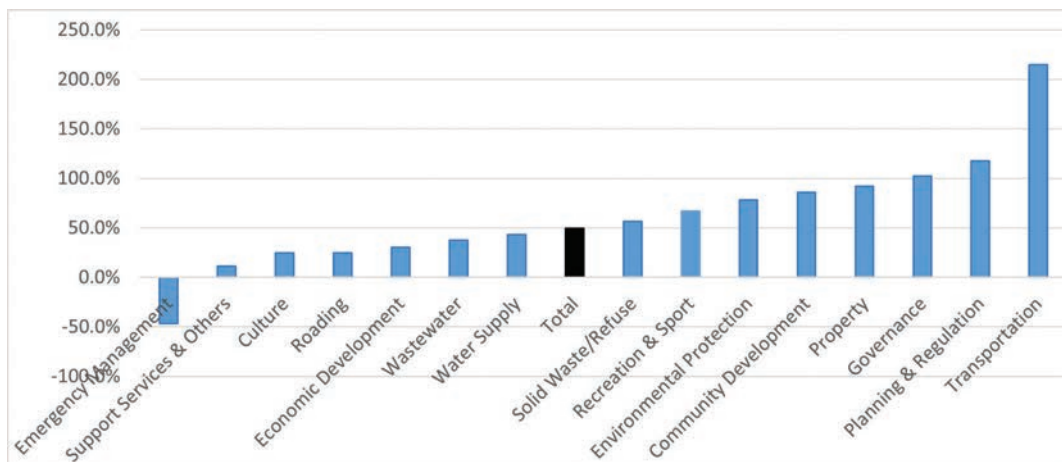
Councils are required by legislation to actively promote the ‘four well-beings’ – social, environmental, economic, and cultural well-being.

Well-being is a concept that means different things to different people. For many ratepayers a big question is whether local government has been distracted and lost its grasp on the principal need for quality basic services. In terms of a community’s well-being, getting the basics should be first cab off the rank.

While some councillors do a great job focussing their councils on the ‘must haves’, others can be more easily distracted by ‘dreams and schemes’ - made easier by a council’s power to collect whatever it needs off its ratepayers.

Figure 4 (below) offers an insight into the overall growth in local government operating expenditure by activity over the past decade. Those activities to the left of ‘Total’ have increased by less than the average of 49.3%, while those to the right have increased by more. It shows that increases for traditional ‘core’ council activities of great importance - such as roading, wastewater, and water supply - have been smaller than the average.

**Figure 4: Growth in local government expenditure by activity (2011-21)**



‘Transportation’, which had by far the biggest increase, refers to public transport, not roading. The steep drop for ‘emergency management’ shows spending coming off a high brought about by the Christchurch earthquake. The big increases for ‘environmental protection’ and ‘planning and regulation’ are likely to reflect the impact of tougher central government requirements on environmental regulation.

Farming communities are particularly enthusiastic about councils focusing on core services. For many farmers council facilities are some distance away, and what’s needed first is a safe local road. They would call that community development, and it’s far from a certainty.

At a time of huge cost-of-living pressures it is even more important than usual for councillors to remember that the best way their councils can contribute to the wellbeing of their communities is to focus on performing their core services well.

Keeping a focus on the basic needs of communities requires courage from local representatives. Being basic that work often flies under the radar – but savvy voters, like farmers, remain mindful of such things. It's hard to distract them with baubles.

Quality roads, drainage, water, waste services, environmental regulation, and low rates may not be particularly exciting, but good governance rarely is.

## Suggestions for Prospective Councillors:

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- **Examine** every line item in council's budget. Who does the spending benefit and should property owners pay?
  - **Question** whether activities are best undertaken or funded by councils or should be undertaken or funded by others – such as central government, the private or voluntary sectors.
  - **Question** extravagant projects to improve the community 'vibe' especially when key infrastructure is falling short of community needs.
  - **Ensure** your council participates in Local Government NZ's performance improvement initiatives.
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# Smart Rating Systems Needed

It is an unfortunate truth about local government that - while there has been grand debate about the role and form of local government in recent years - rating mechanisms have remained largely unchanged since district and regional councils were first formed in 1989.

The world is now very different, but funding hasn't kept pace. Land and capital value rates, as Federated Farmers has argued for many years, tend to allocate a major share of the cost of council activities and services to a minor subset of the population – the owners of higher value property. Accountability to the community breaks down as few in it experience the real cost of what council is doing. For popularly elected councillors, spending more becomes easier.

Our experiences advocating for farmers on council budgets and rates across New Zealand show rates regularly above \$20,000 for average farming units, many on poor local roads or state highways, and some distance from many rates funded facilities and services. This situation continues to worsen and is the biggest of all the stumbling blocks in terms of a positive relationship between councils and their farming communities.

There are however effective and positive ways that the system of property value rates can be adjusted locally to balance the contributions made by farmers when compared to other ratepayers.

The distribution of benefits and access to services can be a big factor in a carefully designed rating system that doesn't rely simply on property value. This is a big challenge and what is most wanted of local councillors from the farming community. A balanced rating system can be developed by any council with the use of readily available mechanisms such as:

- **Targeted rates**, which appear as separate line items for services on the rates invoice.
- **Uniform charges**, which are the same amount for every ratepayer.
- **Differentials**, which modify the proportion of land or capital value rates paid by adjusting the rate per dollar of value.

This is an important message for local government candidates: please pay attention to the rating system! Take the time find out what rates are costing farms in your locality, and what farmers think about what they're forking out. Find out about council's rating policy and whether these mechanisms are in use and if they aren't, why not. It is one of the most valuable contributions you can make to farming.

## Remission policies

In addition to the modifiers above, councillors and candidates should be aware of the range of remission policies available to local authorities that remit some rates in situations where it is thought to serve the greater good or to iron out anomalies in their rating systems.

Every council has a series of remission policies, most commonly for financial hardship, natural disasters, and penalties. For the farming community there are two additional areas of policy that should be fundamental to every council's remission policy framework.

Firstly, we think QEII covenanted land and land classified as a Significant Natural Area (SNA) shouldn't be rateable and should be the subject of a remission policy that achieves that. This after all is land protected in the public interest for its biodiversity and ecological values.

In recent years many councils have introduced policies for QEII, but so far remission of rates for SNAs doesn't feature a lot.

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The second key remission policy needed for farms, is to address the unique situation of a single business operating on multiple land titles. In this situation rating law allows titles to be treated as one - so there is only one UAGC and one of any targeted uniform charge per title - but the titles must be contiguous and in common ownership. This is not the case for farms with lease blocks, titles in the names of family members, or runoffs.

Some councils have developed policies that allow for remission of charges on titles additional to the primary title or home block regardless of the name on the title, and runoff titles within a reasonable distance.

Candidates should check their council's remission policies and see what's there. If the council doesn't have a remission policy for covenanted and protected land or multiple titles making up a single farm business, help the farming community get some equity and call for it.

## Suggestions for Prospective Councillors:

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### Rating Systems:

- **Ensure** that council has rate remissions for QEII covenanted land and SNA land.
- **Find out** whether and to what extent your council is using uniform annual charges, targeted rates, and differentials to manage the allocation of rates.
- **Challenge** council to undertake a rating review, with all mechanisms (targeted rates and uniform charges especially) in play.

### Rate Remissions:

- **Ensure** that council has a rate remission policy for QEII covenanted land.
  - **Ensure** that council has a rate remission policy for farms in multiple land titles.
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# Three Waters: Rural Misgivings

In what is undoubtedly the most significant change to local government since 1989, the Government is proceeding with its reforms of Three Waters.

Despite strong and at times heated opposition the plan to establish four publicly owned entities to take responsibility for drinking water, wastewater, and stormwater infrastructure across New Zealand is ploughing ahead.

This is a huge change from the current approach, where 67 district and city councils have run the Three Waters. It is argued as necessary to achieve economies of scale to meet the huge investment (estimated at \$120 billion to \$185 billion) the Government thinks is needed to ‘maintain safe, sustainable, and environmentally appropriate’ Three Waters infrastructure over the next 30 years.

The Government reckons the case for change is ‘compelling’. According to its numbers the average household bill for water services will rise to as high as \$1,900 to \$9,000 by 2051 – unaffordable to most communities. Instead, the costs under the Government’s proposal for four providers those figures would supposedly range from \$800 to \$1,640. While the numbers do seem compelling the figures have been hotly contested.

Establishing the four entities is just one component of an ambitious Three Waters reform agenda, which includes tougher standards for drinking water; the establishment of a dedicated water services regulator, Taumata Arowai; a new regulatory framework under the Water Services Act; and a National Environmental Standard for Sources of Human Drinking Water.

Most farmers are either self-suppliers or their water is supplied by private water schemes, meaning they shouldn’t be directly affected by the four entities. However, there are community ‘mixed use’ rural water supplies (human drinking water and water for livestock or irrigation) that are owned or operated by councils that will be.

### **A long road to common sense in small supplier rules**

A major component of Three Waters reform is the regulation of small drinking water supplies. Under the Water Services Act 2022 anyone supplying a dwelling in addition to their own is defined as a drinking water supplier.

This definition captures tens of thousands of small on farm and rural community supplies, with registration, regulation and compliance required for the first time.

Federated Farmers pushed mighty hard to get very small rural suppliers exempted. This wasn’t achieved but timeframes for unregistered suppliers to register (2025) and comply (2027) were extended.

Councils should support our advocacy for small private rural schemes. We need simple compliance and end-point treatment systems that don’t require chlorination if disconnections and closure of schemes is to be avoided.

A working group has recommended that all council-owned mixed-use rural supplies should transfer to the four entities because they’ll have the people, resources, and expertise to operate them into the future. But it also recommended there be an option for rural communities to take back water assets with shared ownership or maintenance agreements.

Local government’s reaction to the four entities has been mixed. Although the reforms will see councils losing a key role and a substantial portion of their assets, some councils are supportive or at least accepting of the need for change. Others are opposed and they’ve been fighting the reforms, including in the courts.

Many people are concerned about a loss of local decision-making and an erosion of local democracy. There's much soul searching on whether the loss of such a key role (along with RMA responsibilities under RMA reform) and assets will make district councils unviable and at risk of being amalgamated. Others are more concerned about the entities' complex layers of governance, involvement of Iwi, and growth in bureaucracy. There's uncertainty about how having to give effect to Te Mana o Te Wai will impact on the entities' operations.

Federated Farmers accepts the need for change to the way Three Waters infrastructure and services are delivered but we're not at all convinced that the Government's compulsory mega model is the way to go. There is far too much uncertainty and unanswered questions.



## Suggestions for Prospective Councillors:

- **Ask** tough questions of whether the benefits of the Government's water service entities will exceed the costs.
- **Consider** the implications of the water service entities on council-owned or operated rural water supplies.
- **Consider** the wider implications losing Three Waters infrastructure and services (and other reforms, such as to the RMA) will have on the viability of your council.

# Rural Roads, Vital Networks

The adequacy of the rural roading network is a hugely important and often contentious area for farmers and their councils. Roothing is by far the most important council activity for the farming community, and poor and deteriorating roads are one of the main concerns farmers have with the performance of their councils.

It's an issue candidates need to be familiar with. The roading network is a major investment for local government and forms a key part of the underlying strength of rural communities – economic and social. There are expectations from all sectors that roading will deliver an adequate level of service and a safe travel experience.

As the population in rural areas is relatively thinly dispersed, the rural voice is often subsumed by the urban voice. The cost of roading to farm businesses is significant on an individual basis and the local share of road funding, through property value rates, comes at considerable cost to any farm.

In addition, individual farm businesses will significantly contribute to the National Land Transport Fund, directly through petrol taxes and road user charges and indirectly through road freight costs.

## One Network

New Zealand roads are broadly divided into two categories: the state highway network, wholly funded by central government via Waka Kotahi New Zealand Transport Agency (NZTA), predominantly from Road User Charges (RUCs) and Fuel Excise; and the network of local roads, funded by a share of local rates and financial assistance from NZTA. Central government's (i.e., road users') overall contribution towards local roads is around 50 percent, but this varies depending on the council and its situation. A small remote council such as Opotiki district has a funding assistance rate of 75%, whereas city councils sit nearer 51%.

### Forestry differentials

For many years Federated Farmers has been advocating for rating differentials on forestland that increase the rate per dollar of property value.

We see this as a reasonable way for councils to fund the costly impacts of forestry on local roading networks, given that forestland generally has lower rateable values and the trees don't count.

We are seeing progress on this front in South Taranaki, Southland, Wairoa – the subject of a recent High Court case that confirmed their power to do this, and Gisborne.

Where forestry is significant in a district candidates should think about what all that forest is doing to the roading budget, not to mention rural communities.

The traditional discussion between the local community and the local council around fitness for purpose of local roads is heavily influenced by the national roading classification system, the One Network Framework (ONF). This classifies roading investment and planning based on the functions a road performs as part of the overall roading network.

In years gone by, councils have had the power to determine the level of investment each local road should receive; however, the ONF now provides councils with more direction on the level of investment they should be providing based on road usage.

## Speed limits

The same sort of national direction appears to be happening with the setting of speed limits. Starving roads of crucial funding needed to keep rural roads safe and then reducing the speed limits on them because they are now considered unsafe is a double whammy for rural communities.

For rural councillors, and candidates, roading issues will likely loom large and always require an honest and frank discussion around road maintenance, safety, and cost. This may mean asking rural residents whether they would be happier with a better-maintained gravel road than a poorly maintained paved road given the relative costs, and then putting some annual satisfaction measures in place to provide confidence to rural road users that the overall service will improve.



### Suggestions for Prospective Councillors:

- **Engage** regularly with rural road users on their frustrations with roading.
- Investigate key local roading problems, such as bridges and safety concerns.
- **Advocate** for more funding for rural roads.
- **Oppose** one size fits all approaches to speed limit setting.
- **Support** the use of differentials on forestland to recover the cost of roading damage.

# Freshwater: Forging Ahead

In 2020 the Government passed the 'Essential Freshwater' package. This package included: A National Policy Statement on Freshwater Management (NPS-FM) that, amongst other things, set out national bottom lines for contaminants such as nitrate, phosphorus, sediment, and E. coli.

- National environmental standards (NES-F) setting out new rules for things such as winter grazing, land use conversions, pugging, and a fertiliser cap.
- Stock exclusion regulations that require stock to be excluded from rivers, lakes, and wetlands by either 2025, or in some cases 2023.

Councils are required to update regional plans to reflect the new NPS-FM by 2024. The next term of council therefore has a pivotal role in directing the implementation of the NPS-FM.

Federated Farmers believes the key foundations to a successful implementation of the NPS-FM is a solid base of science. Councils need to invest in monitoring upfront. Without good information on the current situation, there is a risk valuable effort is deployed inefficiently.

The OVERSEER model has been used by Councils to regulate nutrient losses from farms. The OVERSEER model is a useful farm management tool but is not suitable to use as a regulatory tool. The Science Advisory Panel undertook a comprehensive review of OVERSEER across 2020 and 2021 and concluded that, in its current form, it would not have confidence in OVERSEER's estimates of total nitrogen lost from farms<sup>1</sup>.

Federated Farmers supports a risk-based approach to reducing nutrient loss from farms. This approach focuses on addressing the behaviours that lead to nutrient loss and advancing more efficient farming practices.

The Essential Freshwater programme is built on the intent to stop further degradation of our waterways and reverse past environmental impacts. It is important to reflect that New Zealand's water quality is the result of practices and behaviours that have occurred over a long period of time.

In some cases, nutrients take a long time to move through soils. The remediation of these impacts and adapting to regulation will also require reasonable timeframes. There are in fact many good planning processes and water quality mitigations already underway as a result of council plan changes over the last decade. Landowners and Councils should continue to work together to give these mitigations time to produce the water quality improvements we all want.

New Zealand's water quality issues are not unique to rural areas. Many of our most polluted rivers are in urban areas. Rural communities will feel unduly targeted if there is not an even-handed approach taken to the time required to turn-around water quality challenges.

Regional councils are also required to map all wetlands greater than 500m<sup>2</sup> or that contain threatened species by 2030. Once wetlands are mapped farmers must exclude cattle, deer, and pigs from wetlands.

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<sup>1</sup> <https://www.mpi.govt.nz/dmsdocument/46360-Overseer-whole-model-review-Assessment-of-the-model-approach>.

For some farmers this will not be too much of a problem. In cases of large, extensive, farms however, the rules could require stock to be excluded from large parts of the farm. We are worried that, in some cases, this could have negative impacts on the wetland as exotic pasture species normally grazed by stock are able to become dominant.

For many Regional Councils mapping wetlands over large rural areas will be an extremely challenging task. Regional Councils need to take care to map wetlands accurately. A broad-brush approach that incorrectly identifies areas of farmland as wetland will shift the cost of mapping from councils to farmers, who will be left to challenge incorrect mapping processes.

Much of the onus for delivering and enforcing these new rules and regulations will fall on Regional Councils. These may conflict with existing planning processes or alter those that are well underway. They may also test relationships between Councils and rural ratepayers, with Council staff now undertaking enforcement and compliance type activities where previously there was a more educational or partnership relationship.

### Suggestions for Prospective Councillors:

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#### When it comes to water quality:

- **Recognise** good water quality is a shared goal and that farmers value good water quality too.
  - **Invest** upfront in getting the science right, including monitoring, – it is better to identify the issues as accurately and the required remedy accurately rather than develop regulations based on assumption.
  - **Address** all contributions to water management issues – it is not simply a rural issue.
  - **Allow** communities, catchments, and farmers to make decisions about what they want from their waterways and the tools to address the contaminants that are an issue for their waterway.
  - **Develop** policies that allow on farm-innovation and adaption, while providing sufficient certainty for decision making and investment.
  - **Give** farmers realistic timeframes to implement the changes and recognize their prior investment, where changes in farming practice are required.
  - **Invest** in correct mapping of wetlands. This will be a major challenge for many councils, and it is not fair to push the cost of this mapping onto farmers.
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# Resource Management Reform

The Resource Management Act (RMA) has been a mainstay of New Zealand life for over thirty years. Governing how we build our houses, our infrastructure, what and where we can mine, approving new factories and, more recently, how we farm. It has shaped our country for over a generation.

It is fair to argue no piece of legislation is more important or impacts our lives more than the RMA.

Sir Geoffrey Palmer and the fourth Labour Government originally introduced the Resource Management Bill into Parliament in 1989, but it was still progressing through the House when National won the 1990 election under Jim Bolger. The new Environment Minister Simon Upton shepherded the bill through its final stages giving the bill a genuinely bipartisan origin.

The RMA replaced the old Town and Country Planning Act and the Water and Soil Conservation Act. By doing so, it merged urban and environmental management. The two competing objectives of economic development and environmental conservation were shifted to the new objective of 'sustainable management'. This merged framework has been touted as 'world leading', but thirty years on very few countries have followed.

Many will debate the relative successes of the RMA and the reasons for any alleged shortcomings. Environment Minister David Parker has stated that after the RMA was passed in 1991 the Environment Court was never funded properly, there was no standard format for plans, and the use of national directions (such as the National Policy Statement on Freshwater Management) was too little too late.<sup>2</sup>

Regardless of the reasons, there have been failings. House prices in New Zealand began to rise faster than incomes. Since 1998, house prices rose faster in New Zealand than any other OECD country. Many view the RMA consenting process as too expensive, too slow and lacking predictability. As a result, the RMA is seen as stifling investment and pushed up the cost of infrastructure. And others argue that the RMA has failed to adequately protect the environment.

## Butchered

In Federated Farmers' view, in recent years the RMA has been somewhat butchered. The Government has passed a 'fast track' process allowing a Minister to sign-off resource consents for politically favoured projects. The ability for councils to plan cities has been increasingly confined by Wellington directives.<sup>3</sup> And the ability for local councils to set local rules for managing the rural environment has been lost to a range of central government 'one size fits all' standards on things as wide as winter grazing, wetland management and even a fertiliser cap.

There is now a political consensus the RMA needs to go: both the current Labour government and the National Party opposition have committed to repealing the RMA.

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<sup>2</sup> <https://www.beehive.govt.nz/release/funding-implementation-rma-reform>

<sup>3</sup> Such as the Enabling Housing and Other Matters Bill and National Policy Statement on Urban Development

The Labour government has proposed replacing the RMA with a new Natural and Built Environments Act. Key elements of this Act are to replace the 'sustainable management' framework with one based on 'te orango o te taiao' (and the goal of achieving environmental limits and outcomes, rather than managing adverse effects), establish a National Planning Framework - further homogenising planning rules, and replacing the 70 or so regional and district plans with only 14 combined regional plans (combining all city, district and regional planning in a region into a single plan). Under Labour's proposal Regional Planning Committees (comprising representatives from councils, tangata whenua, and central government) would be established to determine combined regional plans.

National's alternative proposal is less well developed. At the 2020 election National proposed splitting the RMA back into separate statutes, one that would manage the physical environment, and a second that manages the human environment. The legislation covering the physical environment would seek to implement efficient and simple rules. The legislation covering the human environment would establish a framework for considering the trade-offs inherent in new development.

### Conundrum

All of this change leaves incoming councillors with a conundrum. The work of a regional and district council doesn't stop - regional and district plans still need to be reviewed and notified and proposed plans still need to be progressed. Regional councils have an obligation to implement the National Policy Statement on Freshwater Management by 2024 for example. But at the same time, there is a real risk that all the current work will be quickly superseded by new plans under a new Act (and transition arrangements are very murky at present).

Councils need to engage in the reform process as it unfolds over the coming years. A replacement of the RMA will shape New Zealand for the next generation to come. Councillors and council officers will play an important role in the RMA reform consultation process to inform government and improve the proposals.

Federated Farmers' view is the balance has shifted too far from local democracy to central control. Water quality is very much a local issue and it is the local community that can best decide the appropriate way to improve the environment while continuing to support the economic and social wellbeing of the local community. Councillors should advocate to retain local decision making in as many places as possible.

There is also a need to retain the flexibility to use non-regulatory approaches like catchment groups or farm plans. Regulation is not always the only or best answer.

The replacement legislation needs to keep permitted activities and the consenting regime simple and efficient. There are some signals the government will add conditions to permitted activities and remove controlled activities. We need the new RMA to have less compliance cost, not more.

Local regulation needs strong checks and balances including a robust cost-benefit assessment of new regulation. These elements need to be included in a replacement RMA.

And finally, we must avoid regulatory double-dip. For each issue we need to ask ourselves where the best level to regulate it is. Water quality is a regional issue to be regulated by regional government. Greenhouse gas emissions are a global resource best regulated at the national government level, with guidance from global agreements. Each issue should have one place of regulation, not multiple.

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## Suggestions for Prospective Councillors:

- **Speak up** for your local community. Engage in the resource management reform and promote the need to retain local decision making within our resource management system.
- **Seek out** better cost-benefit analysis that fully takes into account the cost of regulation to both resource users and councils, including lost opportunities and decreased social, economic and cultural wellbeing.
- **Avoid** regulatory double-up. If it's already regulated by other means, there is no need for a council to also regulate. Councils can rest assured that the end goal is still being met.
- **Recognise** that regulation is not the only way to skin a cat. Rules are costly for both farmers and councils. Other methods such as partnership programmes, education and incentives can be just as effective if not more so, are normally more cost effective and should not be underestimated.
- **Advocate** for permitted rules that do not create a compliance burden, becoming consent to farm by proxy. Rules must be flexible enough that a farmer doesn't need to check with the council every time they make small changes.



## Climate Change

Local government's role on climate change has traditionally been narrow. This reflects an understanding that greenhouse gas emissions are a global, rather than local, phenomenon. The most efficient response is to have a consistent approach to activities that drive greenhouse gas emissions, whether they occur in Kaitaia or Bluff.

This has been recognised historically by central government. The RMA was amended in 2004 to restrict councils from considering greenhouse gas emissions when granting consents, developing regional plans, or setting regional rules. Adaptation, as a local issue, remained an area where councils had a role.

The Emissions Trading Scheme has been the key mechanism utilised to encourage emissions reduction. In 2020 a cap on emissions units was introduced. This functions a bit like the quota management system used to manage fish stocks: for someone to undertake an activity like importing or mining coal, oil or gas, an emissions unit must be purchased to cover the expected greenhouse gas emissions.

One upshot of this is that any local policies, such as declining a resource consent for a new factory that may burn coal, simply moves greenhouse gas emissions around within the economy. It would be a bit like if the government decided it wanted to reduce the level of fish caught so a policy was devised to pay some fishing companies to stop fishing. So long as the quota management system was in place, this would simply allow a different company to fish more.

The same dynamic plays out in the emissions trading scheme. If a council requires a company to reduce emissions as a condition of a resource consent, this simply allows a different company, in a different district, to emit more.

This dynamic has not been well communicated or understood. Recently councils have come under increasing public and political pressure to do more to manage greenhouse gas emissions at the district and regional level. Pressure built to remove the restrictions on councils from considering greenhouse gas mitigation in RMA processes, and recently the RMA was amended to do just this.

This is unfortunate. Federated Farmers understands the pressures and the desire by many in local government to do more to combat climate change. However, it is a simple reality that council measures to reduce emissions won't achieve real environmental benefit.

Councils could respond to the emissions trading scheme price signal in the management of council operations and more generally through their core role of planning and funding transport infrastructure and services. Councils also have an important role in ensuring that their districts and regions adapt to the anticipated localised impacts of climate change. Adaptation may include protecting infrastructure from rising sea levels and securing water supplies in the face of more frequent and severe extreme weather events.

Activities to reduce greenhouse gas emissions can have local social and environmental impacts. Large-scale conversion of pasture to pine forest for example can threaten the social structure of small rural communities. There is a role for local government to consider the local costs of such policies, and mechanisms for managing or avoiding such costs.

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In relation to agricultural emissions, the Government, Iwi/Māori, and the agricultural sector are, under the He Waka Eke Noa Primary Sector Climate Action Partnership, working to co-design policy and programmes to measure, manage, and incentivise the reduction of agricultural greenhouse gas emissions.

Agricultural greenhouse gas emissions are also better managed at a national level than the establishment of regional or district emissions reduction plans.

In summary councils should recognise that central government has a comprehensive strategy to manage and reduce New Zealand's greenhouse gas emissions. The core role for local government is managing the impacts of climate change.

## Suggestions for Prospective Councillors:

- **Recognise** that New Zealand has capped fossil emissions and that local emissions reduction plans are unhelpful in the context of an efficient national response to climate change.
- **Make sure** your council leaves action on reducing agricultural emissions to the work of the He Waka Eke Noa Primary Sector Climate Action Partnership.
- **Focus** action on areas where councils can make a difference, such as:
  - Reducing their own emissions footprints.
  - Planning and funding transport infrastructure and services.
  - Adaptation to the effects of climate change.
- **Activities** such as mass-afforestation can have local social or environmental costs. Consider how these will impact your area and what policies may be needed to manage or mitigate social and environmental impacts.

## Local Democracy and Representation

There is growing concern about loss of local democracy and representation.

The Government's Three Waters reform shifts responsibility for drinking water, wastewater, and stormwater from territorial authorities (district and city councils) to four regional entities. The concurrent resource management reform proposes to shift district planning to new regional planning committees.

These changes, when viewed together, mean that territorial authorities will be left with only a small subset of their previous responsibilities (e.g., local roads, parks, recreation, waste management and emergency management). Roads and waste management could be next.

The Government is also conducting a 'Future for Local Government' review. This review is considering "What local government does, how it does it, and how it pays for it."

This is of course all very "cart before the horse". The review of local government should have occurred before local government was proposed to be stripped of half of its functions.

An additional element to these reforms is the addition of Treaty of Waitangi / Te Tiriti o Waitangi responses in the new governance functions being established. Under the resource management reform 'Regional Planning Committees' will have iwi appointees while under Three Waters Reform the new entities will have fifty-percent iwi co-governance.

The role of local councils and the Treaty of Waitangi / Te Tiriti o Waitangi are important issues for rural communities to discuss and debate.



Federated Farmers' view is that local democracy and representation should remain local, with proposals for local government reorganisation and representation determined locally and not imposed centrally.

Moreover, Federated Farmers believes that if change is to occur, it needs a strong mandate established by national debate on the future of local democracy.

The Future of Local Government review needs to be given a much broader mandate to have this discussion with rural and urban communities. The Three Waters and resource management reform should be paused until we have first established how we all see our local democracy operating in 2030 and beyond.

Finally, Federated Farmers continues to advocate for isolated and remote rural communities being represented by rural wards. In many areas our local provinces have supported Māori wards. Māori wards are a way of defining a community of interest, within a system for electing councillors. By the same token we also support fair representation for isolated rural communities with distinct communities of interest.

### Suggestions for Prospective Councillors:

- **Commit** to engaging with the local community on the Future of Local Government Review. Discuss with the community the value they see in local representation and gauge community support for further regionalisation of local government services.
- **Think local:** Amalgamation of local services to the regional level should only occur where it has the support of local communities.
- **Ensure** your council's representation arrangements reflect local circumstances and the needs of local communities.

