

Submission on Long Term Council Community Plans

By the Sustainable Future Institute
9 April 2009

Long Term Council Community Plans (LTCCPs) are a key mechanism for delivering New Zealanders a sustainable future. To this end, we make the following suggestions as to how your council could actively pursue cost-effective and timely initiatives that deliver outcomes that count.

Sustainable Future Institute

Sustainable Future is an independent think tank specialising in research and policy analysis. As a think tank, Sustainable Future has the freedom to choose its own research agenda. Currently we are pursuing two research projects, one on a national strategy for New Zealand known as *Project 2058*, and a second on genetic modification.

We believe real progress occurs when communities redefine two simple questions: what is acceptable and what is possible? Science often redefines what is possible, and communities need to respond by determining what is acceptable – an example being technological and ethical changes in genetic modification. Recent scenario work, conducted as part of *Project 2058* sought to explore the second question. This work led to *Project 2058* Report 6 (available on our website), a Think Piece (attached) and four timelines that explore New Zealand's future from 2008 to 2058 (attached).¹

Thinking Beyond Ten Years

It is important to be aware that the Local Government Act 2002 does not limit LTCCPs to a 10 year timeframe. In section 93(7)(a) of the Act it states that a long-term plan must 'cover a period of not less than 10 consecutive financial years' meaning that 10 years is only the minimum required.² It can take much longer than ten years to take an idea and implement it into something meaningful for the wider community. This is particularly the case for large infrastructure projects.

We believe councils should explore timeframes longer than 10 years. In *Project 2058*, the team at Sustainable Future decided upon 50 years, as we believed 50 years was short enough to explore the complex nature and often unintended consequences of decisions made today, while long enough to ensure we were not limited by a pre-determined mind-set as to what the future might deliver (and when). For example, if councillors think in terms of a 10 percent chance of a significant earthquake in fifty years, or a 2 percent chance of a significant earthquake in ten years, although both

¹ See www.sustainablefuture.info

² See the *Local Government Act 2002*,
http://www.legislation.govt.nz/act/public/2002/0084/latest/DLM172344.html?search=sw_096be8ed802f421e_years#DLM172344

facts represent the same outcome, the first is likely to provide councillors with a better insight into their responsibility to the community, and therefore better decisions, than the latter. In other words, councils need to think long term, in order to deliver medium term plans.

Legal Mandate for Sustainable Development

The purpose of the Local Government Act highlights the need for local authorities to play a broad role in promoting social, economic, environmental and cultural well-being, with s3(d) specifically requiring local authorities to take a sustainable development approach in their choices and activities. Furthermore, as community outcomes in LTCCP are underpinned by a need to address current and future social, cultural, economic and environmental well-being (s91-93), we consider long-term future thinking and capability building is a critical input into the LTCCP process.

By making sustainable development a central purpose of the Act, New Zealanders are requiring councils to be committed to promoting sustainability.

Perspectives on Sustainable Development

The New Zealand government has spent considerable time and effort in setting out a framework for implementing sustainable development. Besides the Local Government Act 2002, Government established the Sustainable Development Programme of Action (2003). The programme defined a national approach to sustainable development and set out overarching principles and goals, thus giving guidance to territorial authorities. In addition, progress towards sustainable development is also under the watchful eye of international institutions such as the OECD, the United Nations and the World Bank. Reviews conducted by such organisations provide useful insights into how New Zealand could improve outcomes, for example, the OECD prepared an Environmental Performance Review of New Zealand in 2007.³ This report examined progress made by New Zealand since the previous OECD Environmental Performance Review (1996) relative to its established domestic objectives and international commitments. This report made thirty-eight recommendations, many of which provide valuable insight into ways of improving progress towards sustainable development. Therefore, we consider that in addition to a local and national perspective, councils are likely to benefit from gaining an international perspective.

³ See <http://www.oecd.org/dataoecd/6/6/37915514.pdf>

Five Critical Questions

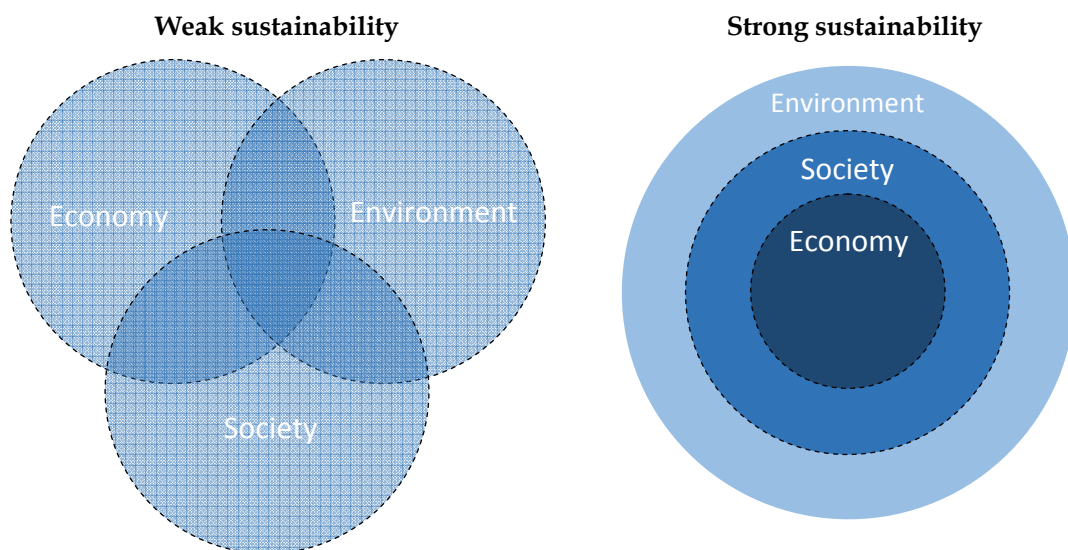
In order to assist councillors to execute the concept of *sustainability*, we have identified five critical questions for councillors to consider when preparing and approving LTCCPs. We discuss each in turn below.

1. What does sustainability mean?
2. What might sustainability look like?
3. What do successful, sustainable LTCCPs contain?
4. What are the obstacles to success?
5. What are the *hot issues* for your region?

Question 1 What does sustainability mean?

The term sustainable development is often cited as ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs.’⁴ It is possible to go further and discuss sustainable development in terms of weak and strong sustainability. Strong sustainability recognises limits to growth. It is communicated as a number of nested systems whereby the economy is a subset of the environment. On the other hand, weak sustainability holds that the spheres of society, environment and economy have spaces of overlapping but also have areas where they apparently do not connect (see Figure 1). Strong sustainability recognises that different types of capital *cannot* be readily substituted for each other in order to balance the capital of the world (the opposite is weak sustainability). Therefore strong sustainability recognises that the life-giving functions of the environment are *not* fully substitutable for other forms of capital.

Figure 1. Weak versus Strong Sustainability



⁴ Report of the Brundtland Commission, *Our Common Future* (1987).

The economy, nested within society, relies wholly on the inputs, from and waste absorption capacity of, natural systems, most of which are currently 'free' to humans. However, humanity is increasingly becoming aware of the full costs of inaction – a recent example would be the reporting of the full cost of combating climate change by Nicholas Stern (2006).

The Local Government Act requires local authorities to undertake planning and decision-making that is genuinely long-term in scope and integrated in nature. This places an onus on councils to not only consider future generations, but also actively pursue expertise in understanding what those future needs may be.

To this end, we recommend the report of the 'World Economic Forum on Global Risks 2009'⁵ and our latest *Project 2058* Report 6. What is clear is that the global risks landscape for 2009 will create significant resource challenges that will demand sustainable resource management, sustainable infrastructure investment and reliable energy security that is sufficient to support a high quality of life without damaging the environment to an unacceptable degree. Global risks require local solutions, which emphasises again why LTCCPs must adopt a *strong sustainability* approach.

Question 2 What might sustainability look like?

Notably, the greatest hurdle for councils to meaningfully adopt strong sustainability is identifying what it looks like and how to communicate its complexities. Systems thinking frameworks have been used broadly for community planning, particularly by many Canadian municipal governments.⁶ The Canadian Integrated Community Sustainability Plans allow for flexibility in planning by recognising both the integration of short-term opportunities for financial and social gain, as well as having an eye on a long-term and environmentally sound vision for a sustainable future.⁷

Another step that can be taken is to adopt the principles of sustainability as defined by The Natural Step (TNS):

To become a sustainable society we must:

1. Eliminate our contribution to the progressive build up of substances extracted from the Earth's crust (e.g. heavy metals and fossil fuels),
2. Eliminate our contribution to the progressive build up of chemicals and compounds produced by society (e.g. dioxins),
3. Eliminate our contribution to the progressive physical degradation and destruction of nature and natural processes (e.g. over-harvesting forests); and
4. Eliminate our contribution to conditions that undermine people's capacity to meet their basic human needs (e.g. unsafe working conditions).

⁵ See <http://www.weforum.org/pdf/globalrisk/2009.pdf>

⁶ Section 8.2 of the Canadian Municipal Funding Agreement (MFA) requires municipalities over the life of the MFA to develop or enhance an Integrated Community Sustainability Plan (ICSP).

⁷ For Bathurst example, see <http://www.naturalstep.org/en/canada/bathurst-sustainable-development-canada>

Such a route has recently been taken by the Hastings District Council, who chose to frame their pre-LTCCP work⁸ with these principles and is investigating committing itself to the TNS approach.⁹ Thus the LTCCP can create a common understanding of sustainability between all those involved in the Community Outcomes process for social, cultural, economic and environmental well-being.

Community participation is best nurtured through transparency of decision-making, a clear vision of success and a process of thorough understanding and dialogue. This can best be achieved by providing the community with an opportunity for comprehensive understanding of the process and sharing a common language of sustainability, what it is that the community hopes to achieve long-term and how it is going to go about achieving it. This meaningful participation creates a strong foundation for the community to move forward together and a sense of belonging and trust within the community.

Question 3 What do successful, sustainable LTCCPs contain?

What might an LTCCP that delivers a sustainable future look like? Most importantly, such an LTCCP must have a clear vision of where the community is going. This goal needs to be bold and exciting, bringing together people and all parties under one shared purpose. It should identify the significant global, national and local risks and opportunities and set out a comprehensive response to the landscape ahead. Finally, it should discuss the governance structure (who is responsible for what tasks) and the rights and responsibilities of its citizens. Without responsibility, there are no rights.

A successful LTCCP will be a plan that meets the current and future needs of its citizens. It is one that turns consumers into citizens, ratepayers into guardians, and economies into communities. Each LTCCP should be inspirational, goal-orientated, measurable and uniquely designed for the community it serves. Finally, it must be clear and concise; LTCCPs that are long on detail but short on clarity are more likely to magnify the problem rather than be part of the solution.

Question 4 What are the obstacles to success?

Using our scenario work to look ahead to what a sustainable future for New Zealand might look like, we have identified five obstacles that may prevent or slow down progress towards a sustainable future. We urge councils to actively pursue strategies that remove these obstacles:

Obstacle 1: A pre-determined mindset – Issues such as mental inertia and groupthink are key obstacles to robust thought and planning across all sectors of society, and it can often be difficult to counteract the effects of these. Groups that fail

⁸ *What should the future of Hastings look like?* See

<http://www.hastingsdc.govt.nz/projects/sustainability/sustainability.pdf>

⁹ <http://thenaturalstep.org/en/new-zealand/hastings-district-council>

to review or revise their mindsets with regularity lose the ability to be flexible and adaptive to changing social expectations. In order to produce effective outcomes, LTCCP processes need to be designed to invite critical independent thinking and seek out alternative views.

Obstacle 2: A negative attitude – Creating a culture of optimism and ‘give-it-a-go’ is critical for building robust and productive communities. Councils have a key role in enabling citizens, in particular young people (18 – 25 years) to move forward. If the first experience for young people is a negative experience, it can act as a barrier. Whether it is in the form of altering a house, continuing education, starting a business, or dealing with a health problem, councils need to ensure there are no barriers in place and that councils create the right incentives for sustainable development.

Obstacle 3: A lack of relevant and timely information – Vital to ensuring that councils can deliver great outcomes that move society towards a sustainable future is the provision and use of timely and relevant information. In the course of our work we have found that locating data in order to develop useful information is extremely challenging. Without baseline data, New Zealand can neither develop strategic knowledge, nor monitor our progress. We suggest that councils should attempt to collect data to measure success and identify critical problems.

Obstacle 4: A lack of long-term thinking – To solve the complex and integrated problems of today, the models of yesterday may no longer be suitable. Sustainable Future believes that the adoption of strong sustainability and principles such as those of The Natural Step are one possible solution to the emerging challenges. This must also include creating a shared vision for your region, district or city in a transparent manner that encourages participation and ownership. Nationally, we believe that New Zealand should establish an independent advisory body focused on providing long-term thinking and public participation. We suggested the body should be named the Sustainable Development Council (SDC).¹⁰

Obstacle 5: Disparities within and between communities – Central to sustainability is working to ensure equity within and between generations. New Zealand currently faces a range of disparities in health, technological adoption, wealth and education. For example, research from 2006 indicates that geographical health inequalities are at historically high levels (Pearce & Dorling, 2006). Technology adoption disparities are likely to have a high impact on the ability of councils to deliver sustainable outcomes, as has been demonstrated by the recently announced national broadband plan and the lack of cable to areas such as the West Coast. In addition, we refer to Table 1, which shows disparity of income is an area of concern for New Zealand, whereas we rank highly in education.

¹⁰ For more information, see Report 4 of *Project 2058, Institutions for Sustainable Development: Developing an optimal framework for New Zealand*, Wellington: Sustainable Future (2008) p. 4.

Table 1. Social and Economic Disparities

Source: UNDP, (2007-2008).¹¹

Total Human Development Index	Includes Education Index	Includes Disparity of income ¹²	Includes RST expenditure (% GDP)	Includes GDP (per capita)
1. Iceland (0.968)	1= Australia (0.993)	1. Japan (4.5)	1. Israel (4.46)	1. Luxembourg (60 228)
3. Australia (0.962)	1= New Zealand (0.993)	42. Ireland (9.4)	20. Australia (1.70)	16. Australia (31 794)
19. Italy (0.945)	6. Norway (0.991)	64. Macedonia (1.25)	25. Russia (1.17)	27. UAE (25 514)
20. New Zealand (0.944)	12. Ireland (0.978)	65. New Zealand (12.5)	26. New Zealand (1.16)	28. New Zealand (24 996)
21. UK (0.942)	18. UK (0.970)	66. Australia (12.5)	27. Ukraine (1.16)	29. Greece (23 381)
177. Sierra Leone (0.336)	177. Burkina Faso (0.255)	126. Bolivia (168.1)	91. Peru (0.10)	174. Malawi (667)

Obstacle 6: Disparities between the public and private sector - Disparities can also develop where the benefits are borne by the private sector and the risks by the public sector. Genetic modification is a case in point. At a global level, another example is the bailing out of private sector companies by government; what the Governor of the Bank of England calls *moral hazard*.¹³ A further example may be the aluminium smelter in Bluff, where we understand the power is supplied at a much lower rate to the company than to individual taxpayers. The challenge is for councils to ensure there are no disparities within their regions, no *moral hazards* that create unfair advantages for some, and disadvantages for others.

Obstacle 7: Lack of Cash and Credit - History reminds us that a time of crisis is an opportunity to make strategic leaps. There is no doubt that the recession will deliver negative impacts, but it can also be seen as an opportunity to build resilient communities. Leadership in local government needs to be responsive to emerging problems - such as the transition to non-fossil fuel transport. New Zealand will need strong leadership to ensure that we build capacity during the recession, what we refer to as a strategy of magnifying hope and reducing fear - see attached Think Piece 8, *Magnifying Hope and Reducing Fear*.

¹¹ *Human Development Report 2007/2008 and 2008 Update*. Retrieved 6 April 2009 from <http://hdrstats.undp.org/indicators/>

¹² Inequality in income or expenditure (ratio of richest 10% to poorest 10%)

¹³ 'G20 summit must make the moral case for capitalism', *Telegraph* (UK), 9 March 2009. Retrieved 6 April 2009 from <http://www.telegraph.co.uk/comment/telegraph-view/5067611/G20-summit-must-make-the-moral-case-for-capitalism.html>

Question 5 What are the hot issues for your region?

Finally, we would like to take this opportunity to flag several issues – hotspots – which we consider councils should discuss within their LTCCP. These are:

a. Dairying – New Zealand’s largest export earner, the dairy industry, brings many benefits to many communities around the country. However, the industry is also responsible for considerable environmental and social costs, including polluting waterways through unfenced streams and over-fertilisation. A recent review¹⁴ of the *Dairying and Clean Streams Accord* found that water quality targets set under the Accord were not being met. To clean up the waterways, local government needs to put pressure on the dairy industry. Initiatives could include the policing of the voluntary *Dairying and Clean Streams Accord*, and petitioning Government to implement national legislation that protects the quality of waterways for future generations. While some progress is being made in this area, local government needs to make a firm and forward-thinking commitment to improving the negative effects of dairying.

b. Genetic modification – The recent control breaches at Plant and Food’s genetically modified *Brassica* experiment near Lincoln draws attention to the inability of the appropriate authorities to adequately monitor GM experiments in the outdoors. A full review of the current weaknesses in the funding, decision-making and compliance processes are contained in our recent letter to the Hon Nick Smith.¹⁵ Because there are unresolved issues around GM crops and trials such as liability, ecological impacts, and adverse impacts on primary producers and key markets, Sustainable Future recommends that all local authorities work to develop policy to protect themselves and their citizens against adverse effects of this rapidly moving science.

Fundamental to this is understanding the desired future of GM in your area. We urge councils to work with one another and discuss with the community what that desired future might be. We support the actions of staff from seven councils on the *Inter-council Working Party on GMO Risk Evaluation and Management Options* who met recently to discuss community consultation. Councils on the Working Party include Whangarei, Kaipara, Far North and Rodney District Councils, Waitakere City Council, and Auckland and Northland Regional Councils. A legal opinion commissioned by the member councils of the Working Party on GMOs indicates that local government does have jurisdiction regarding GMOs under the RMA and Local Government Act 2002 should the council choose to exercise it. In addition, we agree with the recommendations of Dr. Somerville, Q.C., which was to include policy

¹⁴ N. Deans & K. Hackwell, (2008). *Dairying and declining water quality – Why has the Dairying and Clean Streams Accord not delivered cleaner streams?* Fish and Game New Zealand and Forest and Bird. Retrieved April 9 2009 from

[http://www.forestandbird.org.nz/files/file/Dairying_and_Declining_Water_Quality\(3\).pdf](http://www.forestandbird.org.nz/files/file/Dairying_and_Declining_Water_Quality(3).pdf)

¹⁵ See

http://www.sustainablefuture.info/Site/Hot_Topics/Genetic_Modification/Genetic_Modification.aspx

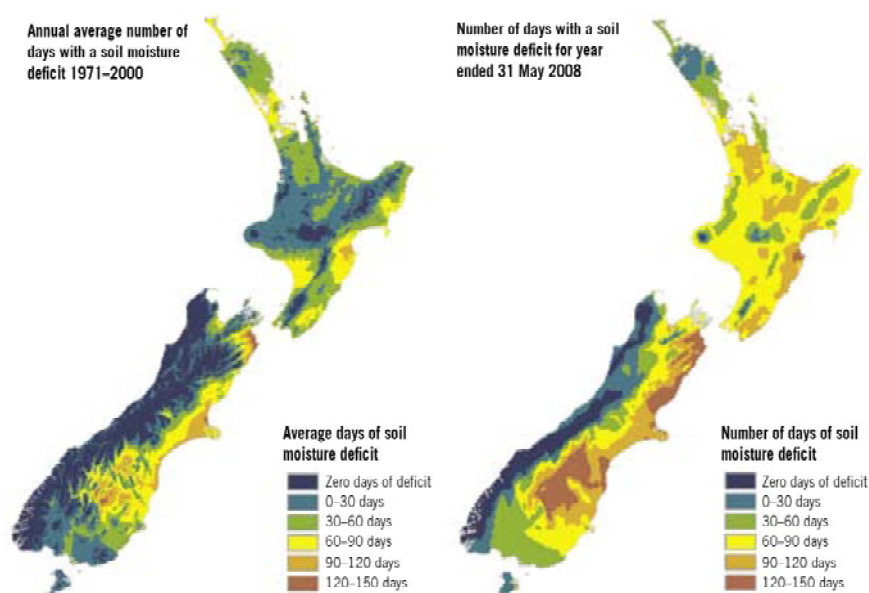
about GMOs and the Precautionary approach in the Long Term Council Community Plan, District Plan and Regional Plan.¹⁶

Our position is that there may be a place for GM organisms in the outdoors in the long-term, but not in the foreseeable future. We argue that New Zealand is better off keeping its GM-free status until we have in place a robust funding, decision-making and compliance system and the benefits of adopting GM crops and animals exceeds the risks of undertaking experiments on New Zealand soil.

c. Land use, water, energy and food – Councils will need to be both flexible and rigorous in its resource management, in order to adapt to changes in climate. The 2008 drought, as depicted in Figure 2, is an example of what may lie ahead.

Figure 2. Changing soil moisture deficit in New Zealand

Source: NIWA, (2008).¹⁷



In developing LTCCPs, councils need to ensure that plans are both robust and equitable in dealing with complex issues such as changing land use, water (rights, the development of appropriate infrastructure, water quality, water storage, water allocation, and water waste), green energy and food assurance. We make two further comments regarding water quality and water allocation:

Water Quality

While sewage and wastewater discharges from point-sources are still a significant influence on water quality in some areas, the effects of non-point-sources of pollution

¹⁶ For further information, contact Dr Kerry Grundy, Whangarei District Council, kerryg@wdc.govt.nz

¹⁷ <http://www.maf.govt.nz/mafnet/rural-nz/statistics-and-forecasts/sonzaf/2008/page-02.htm>

on streams, rivers, and lakes have been identified as the most serious freshwater management challenge in New Zealand today.¹⁸

Water Allocation

At present, there is much attention being paid to water usage across settlements in New Zealand. Currently only 11 of the 73 territorial local authorities have metering systems that measure – and attach a price tag – to the amount of water that comes into homes and gets flushed down the drains.¹⁹ Sustainable Future supports metering. In particular, we urge councils whose boundaries include agricultural land to urgently consider charging the agriculture industry for water used. In addition, we suggest councils consider requiring irrigation to occur in the late evenings or early mornings to improve water absorption efficiency and reduce water consumption by agricultural activities.

d. Broadband

Access to broadband is a disparity issue that must be actively pursued in order to deliver productivity gains for *all* New Zealanders.

e. Leaky Homes

The Government's new leaky-home investigation seeks to quantify the scope of leaky-homes, thought to affect up to 80,000 houses.²⁰ Councils in Auckland, Wellington, Christchurch, Manukau, North Shore, Rodney, Tauranga and Waitakere are considered to have the most leaky houses. Clearly, this is a significant issue for councils to help put right.

f. Population – Aging, Regional Disparity, and Immigration

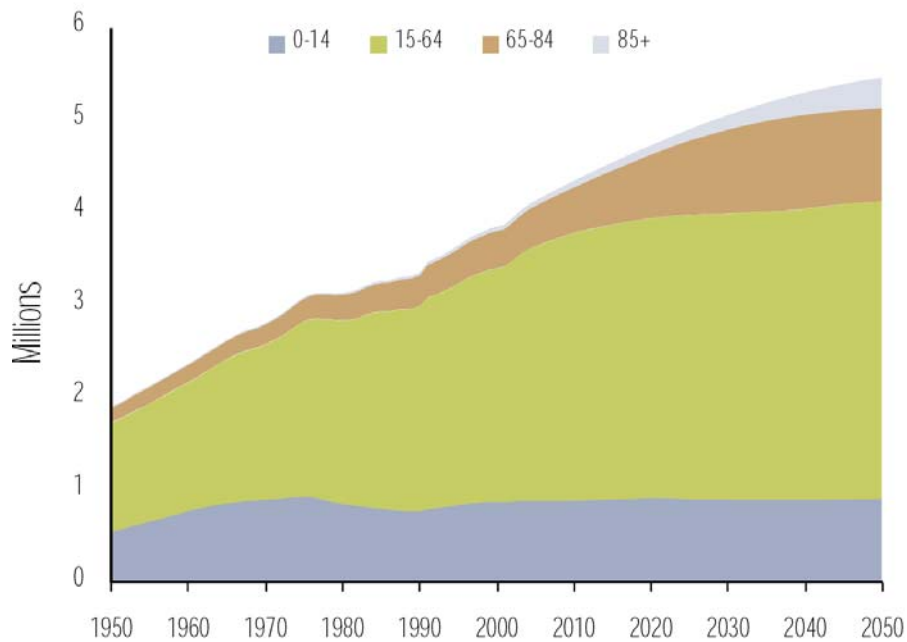
We believe that understanding the demographics within the region is a significant issue for planning for the right infrastructure for the community. Figure 3 below indicates the expected national changes in age over time. It will be critical to understand the level of change likely to occur in your area, and furthermore what this change means in terms of the type of infrastructure needed in 2020 - 2030.

¹⁸ 'Point-sources refer to discharges of pollutants from a single facility at a known location (for example, a wastewater treatment plant). Non-point-source pollutants do not have a single point of origin (for example, they may include pollutants that have run off wide areas of disturbed or developed land after rainfall).' Ministry for the Environment, *Environment New Zealand 2007*, p. 264-267.

¹⁹ Emma Page. (2009, April 5). 'Bill for water says lobby group'. *Sunday Star - Times*, A.5.

²⁰ Anne Gibson. (2009, March 4). 'Govt, councils to meet leaky home owners', *NZ Herald*. Retrieved 6 April 2009 from http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10559802

Figure 3. New Zealand's aging population
Source: Statistics New Zealand, (2008).²¹



As stated earlier, research indicates that some regions may be disadvantaged over the supply of medical health services. Although this is arguably an issue for the District Health Boards, council plans should support initiatives to improve health care services – which may include data collection and improved infrastructure (such as helicopter ambulances and medicinal hot pools).

Lastly, some councils have a key role in managing immigration. We believe LTCCPs must consider the needs and rights of those immigrants and consider the implications of climate change refugees in the future.

²¹ The Treasury, *Briefing to the Incoming Minister of Finance 2008: Medium-term Economic Challenges*. Retrieved 6 April 2009 from <http://www.treasury.govt.nz/publications/briefings/2008/12.htm>

To Conclude

The challenge is therefore to deliver LTCCPs in which councillors have explored what is possible, decided what is acceptable, and developed a clever plan that contains a shared vision with measurable goals, which is then published in a clear and concise manner. This is clearly a difficult task, but one that is critical for the future of New Zealand.

Contact Details

We appreciate this opportunity for sharing our ideas with you. If you have any questions or wish to discuss any matter raised in this submission, please do not hesitate to contact Wendy McGuinness or Jean-Charles Perquin at (04) 499 8888, or wmcg@sustainablefuture.info or jcp@sustainablefuture.info. Alternatively, we can be contacted at the Sustainable Future office at Level 2, 5 Cable Street, PO Box 24 222, Wellington 6142. Where location and timing make it possible, we would appreciate the opportunity to be heard.

Attachments

1. Think Piece 8: Magnifying Hope and Reducing Fear
2. Timelines: Exploring the Four Scenarios