Submission

By

to the

Local Government and Environment Select Committee

on the

Resource Management (Simplifying and Streamlining) Amendment Bill

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PO Box 1925
Wellington
Ph: 04 496 6555
Fax: 04 496 6550

RESOURCE MANAGEMENT (SIMPLIFYING AND STREAMLINING) AMENDMENT BILL

SUBMISSION BY BUSINESS NEW ZEALAND[1]

1.0 INTRODUCTION

1.1 Business New Zealand welcomes the opportunity to make a submission on the Resource Management (Simplifying and Streamlining) Amendment Bill. We generally endorse the thrust of the proposals, subject to some qualification, and support the Bill being progressed.

1.2 Business New Zealand, while supporting the general principles of the Resource Management Act (RMA), has been concerned with a number of aspects of that Act which the current Bill will address. Having said that, Business NZ notes that the Government considers that some of the more contenious and difficult issues will be addressed as part of a second stage process. Business NZ supports this approach.

1.3 Business NZ is pleased with the process surrounding the development of this Bill, particularly the background information papers released explaining the rationale for the amendments, and also the very useful report of the Minister for the Environment's Technical Advisory Group (TAG) – (February 2009). Business NZ considers that the calibre of the group provides a sound basis for progressing the amendments. We would welcome a similar approach to "second stage" issues such as water management. Through such a process, difficult issues are likely to be addressed within a conceptually sound framework.

1.4 This submission is in four sections. The first section deals with general concerns with the RMA which Business NZ would like to see addressed as part of a medium term strategy to improve NZ's productive performance. Some of these are included within the current Bill and others the government has signalled will be addressed in a "second stage" Bill. The second section deals specifically with proposals in the current Bill. The third section deals with some issues raised in the TAG report. The fourth section deals specifically with issues surrounding water management, a crucial issue which needs to be progressed to ensure the efficient use of this important resource.

Recommendations

Business New Zealand **recommends** that:

The Resource Management (Simplifying and Streamlining) Amendment Bill proceeds subject to the specific issues covered in Section 2 of this submission being addressed.

[1] Background information on Business New Zealand is attached as Appendix 1.

Section 1: Business NZ's Position on the RMA

2.1 Business NZ supports the fundamental principles of the Resource Management Act but believes the Acts implementation has caused significant cost and delay to many legitimate business projects.

2.2 Business New Zealand, as part of its briefing to the incoming Government, outlined a number of concerns which need to be addressed within a comprehensive reform of the RMA. We are pleased that some of the following issues are dealt with in the current Bill, while a number of issues such as water management, will be addressed as part of a stage two exercise.

2.3 As well as encouraging local authorities to achieve more prompt and consistent consent processing, make less use of development levies and focus more strongly on managing effects rather than activities, the Government should also implement changes to the RMA itself to achieve better development and environmental outcomes.

2.4 The general thrust of Business NZ's concerns is directed to the following issues:

Change - Rewording the Act to acknowledge that change is not necessarily or always negative would allow it to enable as well as to restrict. The changing nature of landscapes is a simple fact and often greatly enhances New Zealanders' lives; it should be balanced against change as a cause of harm.

Property rights – It is axiomatic that any effects-based resource management legislation will to some extent diminish property owners' rights. This makes it all the more important for such legislation to prevent the balance of fairness tipping further against property owners' interests. The RMA includes no mention of property rights and its provisions regarding compensation where property is taken or its use or value restricted, require strengthening. Business NZ understands that issues surrounding property rights will be addressed within a "second stage" reform process.

Fairness between parties – The current framework allows for costs to fall unevenly on different parties. Pressure groups are able to form an incorporated society without assets in order to avoid meeting the costs of appeals. Meanwhile, those seeking consents have their development plans jeopardised by the costs of defending trivial or ideological appeals. Requiring submitters to bear the costs of their appeals and restricting the right to appeal to those directly affected by a proposed development would help restore fairness between parties. The current inequitable treatment of parties raises the potential for corruption as businesses increasingly expect to have to pay off objectors in order to get development through the consent process.

Competition – A more market-based approach to resource management would help resolve some of the unfairness experienced by those wishing to undertake development. Contestable processing of

resource consents, a market based system for allocating natural resources and tradability in rights to use natural resources would achieve fairer and more consistent outcomes.

Role of Crown – A more constrained role for the Crown in regard to advocacy, litigation and funding would be of benefit. With a devolved, effects-based resource management law, it is not appropriate for the Department of Conservation to be included in advocacy and litigation with regard to private land use or for the Ministry for the Environment to fund litigation taken by conservation groups.

Definitions - Ensuring all key terms are defined and presently unclear definitions improved would also help to achieve more balanced outcomes. The key concept 'sustainable' is not defined. Some definitions are so broad as to invite appeals. The definition of 'environment' includes 'ecosystems', a term that could refer to anything from a molecule to a solar system, while the definition of 'amenity values' is similarly broad. Requirements regarding the Treaty of Waitangi refer to undefined Treaty 'principles' instead of to the 'Articles' of the Treaty for which specific definitions exist.

Business NZ recommendations for changes to the RMA:

1. Refocus on a better balance between enablement and restriction, environmental and economic concerns, and benefits and costs

2. Reduce the range of activities that need consents

3. Allow contestable processing of consents

4. Limit submissions to persons directly affected by environmental impact

5. Require submitters to bear the costs of submission

6. Strengthen the right to compensation for removal of property rights or restrictions on land use

7. Allow for takings or other reduction in property rights on the basis of clear public need only

8. Define more clearly rights to use water and other resources and introduce a market-based system for allocating natural resources, allowing trade in resource rights

10. Provide meaningful definitions for key terms in the RMA

11. Amend the RMA to facilitate and streamline the consent process for nationally important infrastructure projects and to encourage more use of the call in process

Section 2: Comments on proposals in the Bill

3.1 Business NZ endorses the purpose and the 9 objectives of the Bill contained in the Explanatory note to the Bill (pp. 22-30).

3.2 Most of the amendments contained with the Bill are supported by Business NZ as a means to improve the quality and certainty of decision-making under the RMA, and to reduce delays and costs by simplifying procedures and rationalising appeal processes.

1. Frivolous, vexatious, and anti-competitive objections.

3.3 The Government intends to reduce costs and delays arising from submissions and appeals that are frivolous and vexatious, or motivated by anti-competitive behaviour by:

- Reinstating the power of the Environment Court to require security for costs and allowing the Courts to award more extensive costs, including indemnity and punitive costs.
- Preventing trade competitors from participating in proceedings unless they are directly affected by a potential adverse effect of the activity on the environment.
- Making it explicit that decision-makers are prohibited from having regard to trade competition or its effects in relation to resource consent applications, notices of requirement, the preparation of plans and policy statements, and notification decisions.
- Discouraging covert opposition of trade competitors through third parties.

Business NZ generally endorses these proposed changes in the Bill. It is widely accepted that there are significant problems with people objecting to applications based on arguments that have little or no merit while we are also aware that the RMA has been used by trade competitors to stymie developments.

While supporting the intent of the amendments, in practice it will still be a matter for interpretation as to whether an objection is 'frivolous and vexatious' or whether an objection is being motivated by trade competition.

2. Decisions on proposals of national significance

3.4 The Government intends to reduce the time it takes to reach decisions on significant projects while still maintaining effective public participation and promoting sustainable management of natural and physical resources by:

- Providing guidance to clarify criteria determining eligibility for call-in and enabling councils, applicants and/or requiring authorities that comply with these criteria to submit their resource consent application, notice of requirement for a designation or related private plan change directly to an

Environmental Protection Agency (EPA) that will process applications in accordance with an enhanced call-in process.
- Limiting appeals on decisions of Boards of Inquiry and the Environment Court on matters that are called-in to the High Court and then to the Supreme Court in exceptional circumstances.
- Enabling parties to apply directly to the EPA for certificates of compliance associated with matters of national significance.

Business NZ endorses these proposed changes in the Bill.

3. Environmental Protection Agency (EPA)

3.5 The Government intends to establish a body that can provide efficient and timely administration of proposals that are called-in by:

- establishing an EPA as a statutory office within the Ministry for the Environment as a transitional arrangement, with the role of statutory officer to be exercised by the Secretary for the Environment.

Business NZ generally endorses these proposed changes in the Bill. However, it is not at all clear what other role the EPA might play. For example, under "stage two" reforms, such as water management, would the EPA be considered the appropriate body to determine the amount of water available for allocation to users, determining the framework for transferability of consents etc? The obvious danger is that the EPA could potentially have mixed functions both as a policy maker and regulator. In this respect, it is not clear whether the role of the EPA will be very narrowly focused or whether it will have a much more wide-ranging (and potentially conflicting) brief.

4. Improving plan development and change processes

3.6 The Government intends to reduce the cost and time it takes to come to a decision on resource consent applications, while retaining an appropriate degree of public participation and legal right to redress by:

- Increasing the flexibility of processes governing plan development, the correction of minor errors and reporting on decisions.
- Increasing the range of available alternatives for service and notification of plan changes and associated procedures.
- Removing the non-complying class of activities.
- Removing the mandatory obligation to review district plans every ten years and encouraging the development of combined district and regional plans and policy statements.
- Removing the requirement for local authorities to summarise submissions or call for further submissions, and requiring local authorities to consult with and have regard to the views of anyone who they consider may be affected by matters raised in submissions.
- Clarifying the time at which the proposed plan provisions have legal effect.

- Limiting appeals on plans to the Environment Court on questions of law, except in cases where the appellant has gained the leave of the Court to appeal on the merit of a decision.

Business NZ generally endorses these proposed changes in the Bill. However, we have some concern about the intent to remove the requirement for local authorities to summarise submissions and call for further submissions (bullet point 5). While the intent is to speed up processes in respect to plan development, there is a danger that a plan change as a result of a submission will result in adverse impacts on particular parties without the right to make a submission.

It is noted the proposed "safety net" is that Councils can consult with parties they think may be affected by relief sought in submissions. However, this requirement will be very much up to each individual Council, and it is drawing a rather long bow to assume that Councils will automatically know how many people will be affected.

5. Improving resource consent processes

3.7 The Government intends to reduce the cost and time it takes to come to a decision on resource consent applications, while maintaining an appropriate degree of public participation and legal right to redress, by:

- Modifying notification requirements to clarify criteria for notification.
- Increasing options for service and notification.
- Narrowing the scope of matters decision-makers are required to have regard to when considering applications for controlled and restricted discretionary activities.
- Simplifying the reporting requirements for minor activities and proposals that do not require public notification.
- Deleting existing blanket tree protection rules in urban areas and prohibiting local authorities from imposing rules of this type in the future.
- Amending processes relating to local authorities' requests for further information
- Requiring all councils to develop a discount policy in respect of breaches of statutory timeframes.

Business NZ generally endorses these proposed changes in the Bill. Nevertheless, Business NZ has some concerns with bullet points 5 and 7 above. In respect to Bullet point 5 re: "trees", while Business NZ considers that the blanket tree protection removal sounds like a logical idea, it is possible that people might try and get their neighbour's trees protected which could result in significant neighbourhood feuds. It could also lead to even greater complexity by requiring arborist reports. Planning maps and district plans could increase in size as a result.

In respect to bullet point 7, while supporting the broad concept of requiring councils to develop a discount policy in respect to breaches of statutory timeframes, this could result in perverse behaviour on the part of council staff. For example, a concern that if staff need to explain to their superiors why they can only charge half the cost for a job because

of deadlines, they may be encouraged to issue a further information request to an applicant to stall the consent process. These potential adverse impacts will need to be managed.

6. Improving central government direction

3.8 The Government intends to increase the efficiency and effectiveness with which national RMA instruments are developed and implemented by:

- Broadening the scope of matters the Minister of Conservation and the Minister for the Environment are able to call in.
- Providing the relevant Minister with explicit powers to cancel, postpone, and restart a national policy statement process before it has been gazetted, and powers to make minor amendments to national environmental standards in an efficient and timely manner.
- Truncating the process for amending plans and policy statements in response to national policy statements and national environmental standards, and limiting the scope of appeals on changes.
- Clarifying the responsibilities of local authorities in relation to national environmental standards and the effect of these standards.

Business NZ generally endorses these proposed changes in the Bill.

7. Improving the effectiveness of compliance mechanisms

3.9 The Government intends to ensure that the RMA enforcement regime acts as an effective deterrent to non-compliance by:

- Increasing the flexibility and scope of enforcement powers and responsibilities.
- Raising the maximum fine for committing an offence.
- Giving the Environment Court powers to direct a review of a resource consent where it is connected to an offence that has been committed.
- Remove the provisions of the Act that protect the Crown from enforcement action.

Business NZ generally endorses these proposed changes in the Bill.

8. Improving decision-making processes

3.10 The Government intends to increase the efficiency of decision-making processes under the RMA by:

- Allowing applicants for and submitters on resource consents and notices of requirement to require at least one independent commissioner on a decision panel, provided that the party making the request bears any additional costs.
- Enabling applicants for resource consents and notices of requirement to request that their application be directly referred to the Environment Court

for a decision, provided that the permission of the local authority that would otherwise have made the decision has been obtained.

- Clarifying that local authorities can delegate the power to make decisions on plan changes to staff or any other person.
- Increasing the filing fee for lodging appeals with the Environment Court to $500 (inclusive of GST).
- Removing the Minister of Conservation's final decision-making role in relation to restricted coastal activities and matters called-in by the Minister.
- Requiring hearings to be formally closed no later than ten working days after the last party has completed presentations.
- Requiring decisions on applications for designations to be made by the relevant local authority.

Business NZ generally endorses these proposed changes in the Bill. However, under bullet point 2, it is noted that while this attempt to improve decision-making processes by allowing applications to go directly to the Environment Court, comes with the proviso that the Council must agree. While it is unlikely that Councils would deliberately stand in the way of an applicant going directly to the Environment Court (particularly if it was inevitable that the decision of Council would be appealed to the Environment Court), there would appear to be no particular restrictions on Councils making it difficult for applicants avoiding a council hearing and going straight to the Environment Court.

9. Other matters to improve workability

3.11 The Government intends to remove and replace redundant or erroneous technical provisions with enforceable ones, and make minor procedural changes to avoid unnecessary delays and improve processes.

Business NZ generally endorses these proposed changes in the Bill.

Section 3: Issues in the TAG report

4.1 There are a couple of issues raised in the Report of the Minister for the Environment's Technical Advisory Group (TAG) which were considered, but rejected, and therefore did not find their way into the Bill. Business NZ considers that the following issues on "standing" and definitions surrounding Sections 6 and 7 require further work.

Majority decision contained in TAG report on "standing" or "status" test (p.42)

4.2 While the TAG report talks briefly about the pros and cons of introducing a standing or status test for submitters similar to that formerly in place under the Town and Country Planning Act 1977, the majority consider that such a change would, amongst other things, run counter to the participation-orientated nature of the RMA, the majority has therefore recommended that no action be taken to reintroduce such a test.

4.3 Business NZ, at least anecdotally, is aware of a number of companies that are wary of trying to progress significant projects in rather isolated areas for fear of those projects being rejected as a result of submissions opposing development from people not directly (or even indirectly) affected. Reintroducing a requirement for standing or status when making submissions may well help (on the margin at least) some businesses overcome to fear of spending significant time and cost developing a project only for it to be significantly delayed or at worst shelved due to delaying tactics of this kind.

4.4 While some might considers that such submitters would potentially be caught under the provisions restricting vexatious, frivolous or potentially trade competitor's claims, there is currently still significant opportunity for non-affected groups who wish to, to make submissions under the guise of legitimate concerns about a project.

Sections 6, 7 and 8

4.5 The TAG report (p.38) states that: *"Sections 6 and 7 are at present rather a hotch-potch collection of sentiments, all directed at "environmental" issues (as that term is commonly understood), rather than the economic, cultural and social questions which are also central to the sustainability issues which lie at the heart of the Act."*

4.6 TAG has recommended that no change be made as part of Phase 1 of the reform process because of a concern that any changes to these sections should be thoroughly considered and widely consulted upon, both as to their societal acceptance and their legal effect.

4.7 While Business NZ accepts that taking a cautious approach is probably warranted at this time, it would certainly want these issues thoroughly debated at the second stage process of RMA reform. In this respect Business NZ endorses the list of issues which TAG has suggested need examining as part of a second stage process (8. Second phase of reform pp.61-63), including examining the definition of "environment" to ascertain its current suitability and noting TAG's comment that "*any changes should be very carefully considered as the present definition has now been considerably defined by practice and court decisions).*

Section 4: Issues needing to be addressed within water management framework

5.1 While signalled as part of a stage 2 reform of the RMA, Business New Zealand considers that there are fundamental issues surrounding water management that need to be addressed in a rigorous manner before any legislative changes are made to the RMA in this regard.

5.2 Significant issues in respect to water management requiring urgent attention include allocation regimes, security of tenure and the ability to transfer (trade) water permits in a timely and efficient manner in accordance with their most highly valued uses. Weaknesses in the Resource Management Act (RMA) and in particular, the need to refocus the RMA on achieving a better balance of benefits and costs rather than on particular environmental outcomes, need to be addressed to ensure that economic growth and development are not subservient to environmental outcomes, resulting in overall economic loss.

5.3 Despite the Government's so-called "Water Programme of Action", there has been little, if any, progress on the above issues. Increasingly, water management is being undertaken in an ad hoc manner with reduced certainty for current and would-be users and investors. While complex, it is important that all the above issues are worked through in a systematic manner to ensure that water is used efficiently and businesses and individuals have the confidence to invest in what are often large sunk cost investments. In the absence of soundly based property rights to water and land use, business investment is likely to be stifled with obvious flow-on effects for both economic and employment growth and ultimately, New Zealanders' living standards.

5.4 Business NZ considers the following issues need to be looked at in respect to the management of fresh water. The list is by no means exhaustive and there will no doubt be other issues which also need to be addressed. The list of issues is in no particular order of importance as they are all important issues in their own right.

Water Allocation Principles should encourage efficient use of resources

5.5 While there are many ways of allocating water, mechanisms for water allocation can generally be categorised in three broad ways:

a) regulatory approaches;
b) voluntary approaches; and
c) market approaches.

5.6 It should be noted at the outset that these options are not necessarily in isolation from each other. For example, in order for a market-based approach to operate, it is crucial that regulatory policies support the efficient functioning of such markets. It should also be noted that most allocation mechanisms operating around the world are neither purely administrative nor purely market-based but are some combination of the two.

5.7 Water allocation can be developed according to any number of principles but ideally, the underlying principles should encourage an efficient allocation of resources (i.e. encouragement for water use to gravitate to its most highly valued use).

5.8 In economic terms, three specific components of efficiency are relevant in this sense. Ideally, true efficiency implies that all measures of efficiency are achieved simultaneously; however, strictly speaking, these components are individually unique and can be achieved independently of one another.

(i) *Productive efficiency*
Productive efficiency means output at the least cost to the producer. Generally speaking, in this scenario, producers put water to use in such a way that they themselves accrue the most benefit from it.

(ii) *Allocative efficiency*
Allocative efficiency refers to allocating resources to production that is most valued by society. This could mean weighing the relative importance of hydro-electricity generation and crop production against each other in times of water scarcity.

(iii) *Dynamic efficiency*
Dynamic efficiency is sometimes called innovative efficiency. In this case, technological change is encouraged to produce productivity gains over time. Decisions regarding allocation of the resource are based on likely potential for production capacity and likely future requirements.

5.9 Achieving the above outcomes and encouraging businesses and individuals to invest requires the acceptance of certain fundamental principles in respect to water management. While the following are closely embedded in the notion of ownership (or property rights), all are critically important in their own right. They include:

1. Secure tenure and clear specification surrounding water use;
2. The ability to transfer (trade) in water rights/permits; and
3. Compensation for mandatory taking of water rights.

Secure tenure and clear specification

5.10 Regardless of what water allocation mechanism is in place, individuals need a high degree of certainty that their right to take water will not be unduly jeopardised.

5.11 In short this means ***(i) Secure Tenure*** and ***(ii) Clear Specification.***

(i) ***Secure Tenure***: secure tenure means that the entitlement is secure during its term and cannot be revoked (unless new information comes to light which shows that current allocations are unsustainable or the entitlement itself contains language permitting it to be revoked with the promise of compensation).

(ii) ***Clear specification***: any constraints on water use are well-defined, publicly known, and not subject to arbitrary change. In addition, clear specification means that rights and responsibilities of the entitlement holder are transparent and recorded so that public confidence in the process is sustained over time.

Tradable Water Rights

5.12 While the RMA allows water taking permits to be transferred among users in the same catchment area (Section 136), and some transfers do occur, this practice is not widespread. Reasons for this include:

- In many catchments, water has not been fully allocated and a new consent is likely to be less expensive than one purchased from an existing user.
- Because a right to take water is often reflected in business values, a permit to take water can be a valuable asset and worth retaining.
- In some cases it may be impractical to move surface or 'run of the river' water to a neighbouring business.

5.13 Notwithstanding the above, the ability to transfer (or trade) in the right to take water can be considered a fundamental objective in ensuring an efficient allocation of resources over the longer term. In other words, hypothetically speaking, those who most value the water will generally be happy to purchase rights to use it, and those who value the water less will generally be happy to sell or lease any rights to it they may have. Such a market can only exist in an environment where water rights are certain and secure.

5.14 In many respects, the initial method of allocation may not be so important provided that users have the ability to move water to higher value uses over time through transfer/trading options.

5.15 In a number of jurisdictions throughout the world, markets have been established to facilitate the distribution of water rights. As indicated earlier, legislation already exists in New Zealand allowing the trading of water taking permits, although this is not widely practised.

5.16 To ensure public confidence in a market system, a number of conditions would need to be present. These are briefly outlined below:

1) The amount of water available for allocation would need to be clearly determined. This is no easy task, given that groundwater resources and linkages throughout New Zealand are not necessarily well understood.
2) Individuals and companies would need to ensure they had secure tenure and clear specification of water rights so that existing users and potential users are certain those rights exist.
3) A central registry of available water rights and permit holders would be required, including mechanisms for recording transactions via a water trading registry.
4) Monitoring of water use would be required to ensure that individuals and companies took only what they were entitled to. Enforcement would also be required.

Compensation for loss of water use (property) rights

5.17 One of the fundamental principles on which a market economy (such as New Zealand) is based is that property owners (including businesses) have relative security of their property rights and have the right to use their property in the manner they choose (with respect to the same rights of other property owners).

5.18 Investors must also have confidence that any assets they purchase or improve upon will be safe from confiscation and unreasonable restrictions, or alternatively, that they will be compensated for any erosion of their property rights. If this is not the case, then there is limited incentive for anyone to undertake long-term investment.

5.19 Although the RMA stipulates that the maximum consent period for a single water taking permit is 35 years, this is often challenged as being too long. However, in general, if a single permit lasts only 15 years, this period is unlikely to be long enough for businesses to gain acceptable returns on investment in equipment and associated infrastructure development. In addition, regional councils have the opportunity to review consent conditions and minimum flow levels with the acquisition of new knowledge.

5.20 While issues concerning over-allocation have generally not been significant for most catchments in New Zealand, a number of catchments are considered to be fully allocated, or indeed over-allocated in some cases. This may make it necessary to determine how water use can be reduced without unnecessarily interfering with the property rights of existing users, or alternatively, examining ways of improving channel water storage to boost water supply.

5.21 While Regional Councils have the power to annul or reduce permitted water taking rights at their own discretion and without compensation, this could arguably raise significant issues if authorities exercise this power frequently. For one thing, if investors saw themselves as at the mercy of the regional council with little guarantee of long term security in their investment, they would likely have little incentive to invest in projects requiring significant quantities of water. Second, there could be little incentive for councils to fully investigate the availability of water resources, or to adequately monitor resource use.

5.22 In terms of compensation for the loss of one's permitted take, at least two opposing arguments can be made. On the one hand, it could be argued that individuals or parties wanting a reduction in water usage (private individuals, interest groups, or government) should compensate current users who have had their allowable take reduced, or land owners whose land use options have been constrained. This can be seen as consistent with the idea that all parties should be at least as well off after the exchange as they would have been had the exchange not taken place. On the other hand, it could be argued that under the Resource Management Act, individuals who have been granted consents to use water for a specific period do not own the water and therefore should not be entitled to compensation. However, it should be noted that property rights can still be held in the absence of formal ownership of a resource.

5.23 Providing compensation for loss of rights to those who suffer restrictions or reductions in water use would encourage more rational decision-making in respect to making what some people might view as economic and environmental trade-offs.

5.24 Examples from other jurisdictions with respect to the loss of water property rights may serve as an indication of the range of options available. In Australia, for example, in cases where water has been over-allocated with significant environmental implications, some voluntary cost sharing arrangements have been made between users (generally farmers) and Federal and State Governments.

5.25 Beyond water, the issue of compensation for loss of property rights is one which needs significant further work as part of a “second stage” reform of the RMA. As stated earlier, requirements where property rights are taken or the value of property rights is lessened need significant strengthening (e.g. restrictions on land use).

APPENDIX 1

BACKGROUND INFORMATION ON BUSINESS NEW ZEALAND

Business New Zealand is New Zealand's largest business advocacy organisation.

Through its four founding member organisations – EMA Northern, EMA Central, Canterbury Employers' Chamber of Commerce and the Otago-Southland Employers' Association – and 70 affiliated trade and industry associations, Business NZ represents the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

In addition to advocacy on behalf of enterprise, Business NZ contributes to Governmental and tripartite working parties and international bodies including the International Labour Organisation, the International Organisation of Employers and the Business and Industry Advisory Council to the Organisation for Economic Cooperation and Development.