

Impact assessment and planning*

Introduction

Impact assessment, in various forms, is used widely in decision-making processes in Aotearoa New Zealand, at all levels of government. Defined as the ‘process of identifying the future consequences (or impacts) of a current or proposed action’, at its most basic impact assessment is about thinking before we act so we can make good decisions.

Consent planners are very familiar with the assessment of environmental effects under the Resource Management Act 1991. Section 7 of Schedule 4 makes clear that assessments must not only address components of the natural environment but also effects “on those in the neighbourhood and, where relevant, the wider community, including any social, economic, and cultural effects” (s7(1)). This emphasises that the purpose of impact assessment is to consider wider consequences, potentially across all sectors of the environment as defined in the RMA. It is noteworthy that various versions of fast-track legislation for consents and approvals in recent years have retained the basic requirement to assess the impacts of the activities being fast-tracked. Clearly, impact assessment is an accepted part of resource management decision processes for projects.

Policy planners will be equally familiar with s32 reports, which among other things have to “identify and assess the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions...”, a form of strategic environmental assessment (SEA).

The Local Government Act requires councils to take account of the impact of any decision on the present and future social, economic, environmental, and cultural well-being of communities. Council policies for by-laws, such as certain gambling venues, require social impact assessments, and some councils commission health impact assessments for specific planning proposals, such as speed limits in urban areas.

The Exclusive Economic Zone and Continental Shelf (EEZ) Act 2012 requires environmental impact assessment (EIA) of proposals and sets out what these must contain (s39). The Conservation Act requires the same for concessions in the conservation estate, and the Fisheries Act includes requirements for researching and mitigating adverse effects of commercial fishing on protected species and, in the process of gaining RMA coastal permits for aquaculture, an assessment of the undue adverse effects on fishing. And, of course, many proposals going to the Cabinet are usually accompanied by some form of regulatory impact statement.

The essence of all these impact assessment processes is the same: the use of an evidence-based approach to assess the wider potential consequences—both beneficial and adverse—of proposed actions, beyond the intended outcomes, so that necessary changes can be made to avoid or mitigate any undesirable outcomes before a decision is made to proceed with the action.

Adding complexity to the task of looking ahead in this way is the need in many situations to consider all or most facets of the environment: ecological and physical, social, cultural, and health, and increasingly economic. The challenges posed by cumulative impacts across multiple actions over time or across space add further complexity.

Given the breadth and range of impact assessment usage in this country, carried out by a large and diverse community of practitioners, an ongoing challenge is to maintain consistent and high quality practice. The opportunity to communicate with other practitioners, which contributes to achieving

quality and consistent practice while also responding to new problems and issues, is hindered by factors that tend to confine impact assessment practitioners to their own areas of practice.

Current issues in impact assessment

Many of the decision processes that require some form of impact assessment also involve planning practitioners, and NZAIA is keen to work with planners to elevate the profile of impact assessment in the planning profession.

NZAIA is a non-profit organisation established to promote the use of impact assessment (in all forms) and to support best practice. It is not a professional organisation: rather it provides information and resources, and works to bring practitioners together to discuss impact assessment and share experiences and lessons from practice and research.

To that end we highlight below some important issues in impact assessment that we believe are of particular relevance to the planning profession. We would welcome the opportunity to address these and other shared concerns with interested members of NZPI.

Unintended consequences

Since its introduction in 1974, just four years after its introduction in the United States, impact assessment has progressively been incorporated into various statutory procedures in Aotearoa New Zealand. But institutionalisation can lead to two problems. First, practice can become mechanical and lose sight of the key purpose of the process. Second, people assume the process is only relevant to those institutional settings. The key purpose of impact assessment is to ensure we ask questions throughout the design of any proposed action about potential wider implications, to avoid or minimise what would otherwise be called “unintended consequences” which create problems and further costs later on. This concept is applicable to any context, whether mandated by statute or not, that involves the development of proposals that are intended to alter the world around us. It should be an automatic response in any such context to ask questions about the potential for unintended consequences, but as yet this does not seem to be the case in this country. How might that be changed?

Integrated approach

The concept of systems is widely used to help understand the complexity of the world around us. A key feature of systems is connectivity, both within and between defined systems, so we know that an action that disrupts the working of one system may well affect others to a greater or lesser degree. And while we have created disciplinary boundaries to coincide with major systems, the real world is not limited by those boundaries. Project impacts on an ecosystem may lead to social, cultural and/or health consequences through varied impact pathways; certain economic policies may lead to social impacts that in turn result in resource depletion and subsequent ecosystem degradation. Asking questions about wider implications requires an integrated perspective across relevant sectors of the environment to ensure less obvious but potentially important consequences are identified. How can we equip practitioners to adopt integrated approaches, to operate in inter-disciplinary environments?

Impact assessment by design

Most people, whether practitioners or local communities, are most familiar with project-level impact assessment, an AEE, as a requirement for gaining a consent, permit or other form of license for a proposed activity. If this is the first time potentially affected parties are aware of the proposal and what it might mean for their own interests, it can lead to contention and costly delays. Impact assessment

works most effectively when it is started much earlier, to avoid such situations. Ideally it is part of a developer's design toolkit, sitting alongside technical and economic tools, feeding into decisions about the initial concept, site selection, and process and operational considerations. The licensing stage is still required, but it then becomes more of a final check of wider implications than the first, as it often is at present. How can the licensing stage be de-emphasised, and "upstreaming" be encouraged, as called for by Helen Hughes, former Parliamentary Commissioner for the Environment, in 1995? What role can local government, and planners in particular, play?

Giving effect to Te Tiriti o Waitangi

The institutional context within which impact assessment practice takes place in Aotearoa New Zealand is different from other countries because of Te Tiriti o Waitangi. In the context of impact assessment, there are two important principles. First, the status of Māori as tangata whenua as treaty partners and not merely stakeholders in assessment processes. Second, the role of mātauranga Māori (broadly including Māori knowledge, culture, values and worldview) in improving the informational basis of impact assessment. These challenge conventional impact assessment practices developed to suit a different institutional setting.

Under the Resource Management Act the relationship of Maori, and their culture and traditions, to ancestral lands and waters is a matter of national importance. This provides the basis for cultural impact assessments (CIA), with Maori identifying effects themselves. While CIAs are well established and considered best practice, much depends on ensuring adequate resources, including capacity and competencies, are available for iwi and hapū undertaking such assessments. Moreover, there are still questions about how CIAs should relate to other components of a wider assessment process: should CIA inform them, or be treated as a separate, essentially parallel assessment. And beyond that, to what extent do significance determination and decisions reflect CIAs?

It is worth noting that both Canada and Australia have the concept of Indigenous IAs, which have a wider scope than CIAs as practised in this country (but arguably akin to what was originally envisioned for CIAs). Does this point to a logical development for CIAs in Aotearoa?

Finally, to what extent might all impact assessments, including higher level policy and plan assessments, give expression to Te Tiriti o Waitangi, and how might this be done?

Involving communities and other stakeholders

The purpose of impact assessment is to ensure all parties to a decision process have the best understanding of what is proposed, and what the important implications, especially the wider consequences, might be should the proposal go ahead. Developing that information has to involve communities and other stakeholders: to draw on local knowledge, to make sure community concerns are recognised and addressed, and to capture the values of potentially affected parties. When carried out following best practice principles impact assessment is fundamental to negotiating a social licence for significant proposals. How can we encourage better engagement by proponents, at earlier stages of the design process, to secure those social licenses?

Strategic assessment for policies and plans

Strategic environmental assessment (SEA) recognises that while policies and plans require similar interrogation for their wider implications and consequences, the approach cannot simply follow the project assessment model. Broad approaches have emerged internationally to guide policy and plan assessments, but New Zealand has not adopted SEA as a component of institutional decision-making processes. Instead, elements of SEA are embedded in s32 evaluations, in ad hoc assessments of regional growth strategies and sectoral resource management policies, and in regulatory impact

assessments. Wider understanding of SEA among policy and plan makers would encourage more consistent and effective assessment of emerging proposals, especially if planners are more fully integrated into the assessment processes. How do we facilitate better understanding of SEA? How do we engage with higher level policy and plan makers, and the politicians who make decisions about the proposals?

Cumulative effects

The assessment of cumulative impacts/effects has been a requirement under the RMA since its enactment, yet it continues to challenge impact assessors in this country, as it does all around the world. There are no easy answers, but there is a great deal of discussion and sharing of practical experiences within the impact assessment community. The Canadians in particular have renewed their efforts to address cumulative impacts more effectively. Are there lessons for IA administrators and practitioners in Aotearoa New Zealand?

Conclusion

Impact assessment is an important process and permeates many decision procedures in this country, many of which involve planners. As we've shown above, there are many challenges facing impact assessment practice and NZAIA believes these can only be addressed successfully by working with practitioners across the professional organisations. Many members of the planning profession have impact assessment knowledge and skills, and NZAIA would like to engage with those members to discuss responses to the various issues. We believe there will be mutual benefits from greater interaction between planners and other practitioners that would help improve practices, generate new thinking, and overall contribute to more sustainable approaches to planning and managing our natural and social environments. Perhaps most important of all is to ensure the purpose and practice of impact assessment survive the forthcoming legislative changes, an aim we believe the whole community of IA practice should prioritise.

On behalf of the NZAIA Core Group October 2024

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**In 2023 NZPI contacted NZAIA, among other organisations, as part of an initiative "to foster greater links with other stakeholders in New Zealand on key issues in resource management." During a virtual discussion between David Curtis (NZPI CEO) and several members of the NZAIA core group, it was suggested NZAIA produce a "white paper" about the value of impact assessment to planning processes.*