

# National Issues vs Local Concerns

## Assessing Options For Infrastructure Projects

Brian Cox, East Harbour Management Service

### Infrastructure Projects Today

Infrastructure projects are currently a “free for all fight” with shouting matches between proponents and opponents. Affected parties are left confused. Negative reactions to change are common. A few people can capture the news media. The national interest is often not presented. Local councils are often in the invidious position of not having all the information they need to make an informed decision, this makes them susceptible to influence. They tend to have difficulty weighing up national vs local effects. They often end up making sub-optimal decisions because they are not given all the facts when it comes to accessing the national interest. Suboptimal solutions come at a high cost to NZ Inc.

These problems apply to all infrastructure projects.

- Energy generation, electricity transmission, gas pipelines
- Roothing
- Telecommunications

Projects are often site specific (eg windfarm, hydro) and so may have limited alternative options. For example there are not a lot of alternatives for eg electricity transmission line. In any event, all options have effects

Projects that would not proceed today given the current legislation and decision-making processes include:

- National railway network
- Major roads into urban Wellington
- Construction of our hydro power stations
- Wellington airport
- Electricity power lines into Wellington

The Problem can be summarised as follows:

*National interest*  
vs  
*Private property rights*  
&  
*Perceived community interests*

### The National Interest

But what is "The National Interest"? It includes projects and policies that:

- Cover issues of strategic importance, or
- Have aspects that generate collective benefits, or
- Affect national well being such as our international competitiveness and community health and safety, or
- Are beyond the ability of parties to do themselves, or
- Provide protection for future generations.

What responsibilities do we have as citizens in relation to the common good? How far do private property rights go? What are the rights of local communities? What role does the government have? These questions have been in front of all communities down the ages (eg Romans grappled with it). This is a particularly major issue for all democracies.

The Government is the only party that can think beyond the individual

We need to improve our existing decision making / democratic provisions – not start from zero. NZ has established a number of mechanisms to address this problem in relation to energy planning and these include:

- Resource Management Act – Its strengths are that it relates to consideration of the effects of the proposed development, anyone can have a say, and decision making is delegated to local councils.
- Electricity Commission – It is required to weigh up the alternative options.
- National Policy Statements – to handle the large generic issues such as transmission lines.
- National Environmental Standards – ensure that the appropriate levels of effect are set.
- Good Practice Guides to Councils – help Councils learn from each other and provide consistency throughout the country.
- Evidence of the national interest put to Councils – by Government agencies can be important because of its neutrality of interest.

These mechanisms have been variously successful but many such as the involvement of government agencies have been absent during the hands-off period from 1984 – 2000 when decision making was left to market forces.

In relation to energy projects, who represents the national interest? The government can release Government policy statements and the Electricity Commission has been established to provide analysis of the alternative options. However the Electricity Commission doesn't cover all energy, just electricity and it has only just started its mammoth task. Government agencies have started to appear at hearings and provide neutral independent advice to Councils. However good independent advice costs money for expert witnesses and subsequently there has often been an inadequate level of advice on the national interest because of limited funding. Government agencies have also often been loath to appear when another Government agency is also appearing in case they are perceived to be presenting competing government views. (Today this should not be a concern because cabinet papers which demonstrate the different views are released)

### **The Local Community**

The opposition to proposed infrastructure projects from individuals and communities is often driven by a range of factors and attitudes such as:

- Years of work and toil into their properties may be detrimentally affected by a project
- Why should we help private infrastructure companies make more profit? Previously when Government built power stations it was perceived to be in the national interest. We now have private companies building power stations.

- The responsibilities of all of us to being part of the national community is often not acknowledged or accepted when our private property rights appear to be affected.
- There may be a lack of evidence that all the alternatives have been addressed
- In summary the community responses are often emotive rather than factual.

Many of the problems that development proponents have with local communities can be sourced to a lack of information. The community may feel that they are powerless against big corporates and they have a lack of funds with which to undertake proper analysis. If poor consultation has occurred then the local communities may not be aware of the national need for the project and the lack of alternatives. Sometimes there are alternatives but the cost may be significantly higher which can result in funds having to be diverted from other projects if the more expensive project were to proceed. Good consultation with good independent advisors being used to present the alternatives will assist overcome closed minds from opponents. “Effects” are often a matter of opinion so it is important that these be aired in full before a hearing committee.

### **What Can We Do About It?**

There are a range of actions we can take to make the construction of major energy projects more possible.

- We can teach civics in schools, teach children about the responsibilities of being a citizen.
- We can ensure local councils have adequate information of the national interest
- We can get government agency involvement at hearings
- Ensure that sound expert evidence is presented
- 
- Assist private affected parties to get good evidence of the potential effects on them if the project proceeded.
- Make sure we have good public consultation with the facts on the costs and benefits of alternatives.

*At the end of his presentation, Brian set the participants three questions to answer. The responses were as follows:*

### **Qn: How can we improve the level of information to the community during project development?**

Responses:

- Present communities with a choice of options
- Genuinely investigate alternatives as required by the RMA
- Outline the consequences of alternatives (including climate change) based on sound information.

**Qn: What more needs to be done to represent the national interest?**

- Get Ministers to take a higher profile representing the national interest, this will leave the developer free to represent their proposal
- Need to know what the national interest is - e.g. "everyone has access to a reliable energy service" is different from "generating more electricity". The former would include more efficient use.
- The national interest should be developed taking into account what future we want and the impacts of climate change
- We need more information on alternatives.

**Qn: Where does the balance of rights lie?**

- We need to put out a lot more information than we have up until now - people want to be able to evaluate the situation for themselves, they are not prepared to rely on experts. Experts working for the developer are automatically not trusted.
- Territorial local authorities should determine appropriate sites that can be made available for energy developments (e.g. wind farms) for perhaps more practically, they can decide which areas will be excluded from development (as Wellington is currently doing through its ridges and hill-tops policy). To do this, information will be required which is likely to be expensive. Should it be central government's responsibility to provide this? Most TLAs would have a problem funding such research.