

Council Meeting - 24 May 2023

Meeting held in the Council Chamber at Level 2, Philip Laing House, 144 Rattray Street, Dunedin and livestreamed to the [ORC YouTube Channel](#)



Members:

Cr Cr Gretchen Robertson, Chairperson	Cr Tim Mephram
Cr Lloyd McCall, Deputy Chairperson	Cr Andrew Noone
Cr Alexa Forbes	Cr Bryan Scott
Cr Gary Kelliher	Cr Alan Somerville
Cr Michael Laws	Cr Elliot Weir
Cr Kevin Malcolm	Cr Kate Wilson

Senior Officer: Pim Borren, Interim Chief Executive

Meeting Support: Kylie Darragh, Governance Support Officer

24 May 2023 01:00 PM

Agenda Topic

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1. WELCOME

2. APOLOGIES

Cr Kevin Malcolm has submitted apologies for this meeting.

3. PUBLIC FORUM

Requests to speak should be made to the Governance Support team on 0800 474 082 or to governance@orc.govt.nz at least 24 hours prior to the meeting, however, this requirement may be waived by the Chairperson at the time of the meeting.

Mr Ray Parker will speak about the Taieri Flood and Drainage Scheme and rates increases.

4. CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

5. DECLARATION OF INTERESTS

Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have. The [ORC Councillor Register of Interests](#) is published to the website.

6. CONFIRMATION OF MINUTES

The Council will consider minutes of previous Council Meetings as a true and accurate record, with or without changes.

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6.1 [Minutes of the 26 April 2023 Council Meeting](#)

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	That the Council excludes the public from the following part of the proceedings of this meeting (pursuant to the provisions of the Local Government Official Information and Meetings Act 1987), namely:	
	<ul style="list-style-type: none"> - Confidential minutes of the 26 April 2023 Council Meetings - Chief Executive performance agreement and review timetable 2023/24 	
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Council MINUTES

Minutes of an ordinary meeting of the Otago Regional Council held at the Rosebank Lodge, 265 Clyde Street, Balclutha on Wednesday 26 April 2023, commencing at 1:04 PM.

PRESENT

Cr Gretchen Robertson *(Chairperson)*
Cr Lloyd McCall *(Deputy Chairperson)*
Cr Alexa Forbes
Cr Gary Kelliher
Cr Michael Laws
Cr Kevin Malcolm (online)
Cr Tim Mephram
Cr Andrew Noone
Cr Bryan Scott
Cr Alan Somerville
Cr Elliot Weir
Cr Kate Wilson

1. WELCOME

Chairperson Gretchen Robertson welcomed Councillors, members of the public and staff to the meeting at 1:03 pm and gave a karakia. Staff present included Pim Borren, (Interim Chief Executive), Nick Donnelly (GM Corporate Services), Anita Dawe (GM Policy and Science), Gavin Palmer (GM Operations), Richard Saunders (GM Regulatory and Communications), Fleur Matthews (Manager Policy and Planning) (online), Michelle Mifflin (Manager Engineering), Alison Weaver (Team Leader Commercial and Regulatory), Trudi McLaren (Governance Support), Liz Spector (Governance Support - online).

Clutha District Council Mayor Bryan Cadogan was also present to welcome members of the public and staff to the meeting and advised the Councillors of developments and challenges of Balclutha and the Clutha District.

2. APOLOGIES

There were no apologies.

3. PUBLIC FORUM

Shane Bocock of the Pomahaka Water Care Group attended to speak to their planting programme and provide an update on the Waipahi Wetland.

Pierre Marasti was present to speak to Extinction Rebellion.

Tessa Campbell of OUSA was present to speak to the Free Fare Campaign.

Adam Curry was present to speak to the Free Fare Campaign.

Cr Malcolm left the meeting at 1.29pm

4. CONFIRMATION OF AGENDA

Cr Robertson stated that a request from a staff member was received prior to the meeting to consider the report *The Minister for the Environment's request for information on providing for vegetable production through regional plans* first under Matters for Consideration.

Resolution CM23-141: Cr Robertson Moved, Cr Wilson Seconded

That Item 8.2 The Minister for the Environment's request for information on providing for vegetable production through regional plans report be considered the first item of business under Matters for Consideration.

MOTION CARRIED

5. DECLARATIONS OF INTERESTS

No conflicts of interest were advised.

6. CONFIRMATION OF MINUTES

Resolution CM23-142: Cr Weir Moved, Cr Mephram Seconded

That the minutes of the (public portion of the) Council meeting held on 22 March 2023 be confirmed as a true and accurate record.

MOTION CARRIED

7. ACTIONS (STATUS OF COUNCIL RESOLUTIONS)

Councillors reviewed the open actions from resolutions of Council with staff. No changes were noted.

8. MATTERS FOR CONSIDERATION

8.1. The Minister for the Environment's request for information on providing for vegetable production through regional plans

The report was presented to inform the Council of the new requirement under section 27 of the Resource Management Act 1991 (RMA) to carry out annual reporting to the Minister for the Environment on ORC's intentions to provide for vegetable production. Anita Dawe (General Manager Policy and Science), Tom Dyer (Science Manager) and Fleur Matthews (Manager Policy and Planning) (online) were present to respond to questions about the report.

Chairperson Robertson advised that a letter had been received from the Minister for the Environment, stating a requirement for the Council to provide information. This letter was sent to all Councils (unitary and regional) in New Zealand. Ms Dawe confirmed that Policy and Science wished to bring it to the Council's attention and seek guidance on how to respond.

Following questions by Councillors, it was moved:

Resolution CM23-143: Cr Weir Moved, Cr Somerville Seconded

That the Council:

- 1) **Notes** that the Minister for the Environment has requested annual reporting on Otago Regional Council's intentions to provide for vegetable production when implementing the National Policy Statement for Freshwater Management 2020.
- 2) **Notes** that the Otago Regional Council is required to submit a first report to the Minister by 19 May 2023.
- 3) **Approves** that the first annual report is prepared by staff with input from ORC's Chair and Deputy Chair and submitted to the Minister by ORC's Chief Executive under delegated authority and circulated to Councillors when complete.
- 4) **Notes** that the first annual report to the Minister will be presented to Council at its meeting on 24 May 2023.

MOTION CARRIED

8.2. Minor changes to Flood Protection Management Bylaw 2022

Council approval is required to correct errors in the base layer of some of the maps contained in the schedules to the Flood Protection Management Bylaw 2022 in accordance with the Local Government Act 2002 ("LGA"). Michelle Mifflin (Manager Engineering) and Alison Weaver (Team Leader Commercial and Regulatory) were present to respond to questions about the report.

Following questions by Councillors, it was moved:

Resolution CM23-144: Cr Laws Moved, Cr Wilson Seconded

That the Council:

- 1) **Notes** this report.
- 2) **Approves** the minor changes to the Flood Protection Management Bylaw 2022 by adopting the maps in attachments 5 to 8 to replace the current maps shown in attachments 1 to 4.
- 3) **Approves** the public notification of the minor changes to the Flood Protection Management Bylaw 2022.

MOTION CARRIED

8.3. Land and Water Regional Plan: Updated project plan and governance

The intention of this report was to provide Council with an updated milestone report for developing the proposed Land and Water Regional Plan (pLWRP) to reflect the new timeframe for notification (by 30 June 2024) and to seek approval for how key policy and milestone decisions are to be made during development of the pLWRP. Anita Dawe (General Manager Policy and Science) and Fleur Matthews (Manager Policy and Planning) (online) were present to respond to questions about the report.

Pim Borren, (Interim Chief Executive) commented to Richard Saunders (GM Regulatory and Communications) that he and Chairperson Robertson were expecting a detailed project plan including resourcing, timelines, a business case, and budget, as opposed to the updated milestones and progress update, and enquired as to whether there had been some miscommunication of expectations. Mr Saunders responded that the newly appointed Project Manager, Matthew Horton, is undertaking a review to ensure that this project is being run as a professional Project Manager would expect from a project of this scale to give Governance confidence. He is expecting several recommendations from his report with regard to reporting and structure. These recommendations are essential before any changes are made and a full project plan completed. Mr Horton has had input into the updates received as part of this report.

Chairperson Robertson clarified that while a detailed project plan has yet to be received, this does not mean that work is not still being undertaken on this project, and it is progressing.

Cr Mephram enquired as to whether the project was still expected to be completed by the agreed due date of June 2024. Ms Dawe confirmed that the proposed Land and Water Regional Plan will be drafted this year and the statutory consultation will occur at the beginning of 2024 and submitted to Council by the end to May or early June 2024. She also confirmed that the project team will be reaching out to appropriate experts in the field going forward.

Cr Wilson commented that she has some concerns regarding the Freshwater Management Units/rohes which have only one Councillor responsible them. It was agreed that Cr Forbes should be added to the Upper Lakes Rohe, Cr Laws added to the Dunstan Rohe and Cr Kelliher added to Arrow & Cardrona (part of Dunstan Rohe).

The Council agreed on amended wording to the proposed resolution as recorded.

Cr Laws left the meeting at 2:05pm

Cr Malcolm returned to the meeting at 2:08pm

Cr Weir left the meeting at 2:08pm
 Cr Laws returned to the meeting at 2:09pm
 Cr Weir returned to the meeting at 2:11pm

Resolution CM23-145: Cr McCall Moved, Cr Mepham Seconded

That the Council:

- 1) **Notes** the revised milestone report for the proposed Land and Water Regional Plan.
- 2) **Approves** the Land and Water Regional Plan Governance Group’s proposed approach that key policy and milestone decisions are work shopped by the Environmental Science and Policy Committee, before being considered by the Committee and then recommended to be noted by the Council.
- 3) **Approves** the amended Terms of Reference for the Land and Water Regional Plan Governance Group awaiting the independent project review by Matt Horton for the next Council meeting.

MOTION CARRIED

9. NOTICES OF MOTION

9.1. Notice of Motion - Request for ORC to join the Free Fare Campaign

A Notice of Motion was received from Cr Weir to authorise the Chief Executive to sign on to the Free Fares Campaign as a coalition member and release a press statement once the process is complete. Cr Weir spoke to this motion. He advised that it has gathered a lot of community support and emphasised that there is no cost involved, it is only to indicate ORC support of the campaign for central government to improve public transport accessibility and will help improve a number of areas. He stated that he would eventually like to see free fares for all, but this is an important first step and a worthy gesture for our Council to support.

Councillors debated the merits of the proposal, and a division was called for. Chairperson Robertson then put the motion to the vote.

Resolution CM23-146: Cr Weir Moved, Cr Somerville Seconded

That the Council:

- 1) **Authorises** the Chief Executive to sign onto the [Free Fares Campaign](#) as a coalition member and release a press statement once the process is complete.

A division was called:

Vote

For:	Cr Forbes, Cr McCall, Cr Noone, Cr Scott, Cr Somerville, Cr Weir and Cr Robertson
Against:	Cr Kelliher, Cr Laws, Cr Malcolm, Cr Mepham and Cr Wilson
Abstained:	Nil

MOTION CARRIED 7 to 5

9.2. Notice of Motion - Request for report on feasibility of free off-peak travel

A Notice of Motion was received from Cr Weir to authorise the Chief Executive to sign on to the Free Fares Campaign as a coalition member and release a press statement once the

process is complete. Cr Weir advised that the Free Fares Campaign has gathered a lot of community support and he emphasised that there is no cost involved, by joining, the ORC would only indicate to central government that they support this campaign to improve public transport accessibility. He stated that the campaign would eventually like to see free fares for all, but this is an important first step and a worthy gesture for our Council to support.

Councillors debated the merits of this proposal, and a division was called for. Chairperson Robertson then put the motion to the vote.

Resolution CM23-147: Cr Weir Moved, Cr Mepham Seconded

That the Council:

- 1) **Requests** a report to be drafted by the transport team for presentation to the PATC on the feasibility of free off-peak public transport and the potential costs (e.g., lost revenue) and benefits (e.g., reduced pressure at peak times, reduced delays at peak times, equity impacts, reputation impacts) to help inform relevant LTP decisions.

A division was called:

Vote

For:	Cr Forbes, Cr Kelliher, Cr McCall, Cr Mepham, Cr Noone, Cr Scott, Cr Somerville, Cr Weir and Cr Robertson
Against:	Cr Laws and Cr Malcolm
Abstained:	Cr Wilson

MOTION CARRIED 9 TO 2 with 1 abstention

10. CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

10.1. Chairperson's Report

Cr Robertson submitted a matter for consideration to gauge whether the Council would be interested in enabling proactive responses to requests for endorsement of funding applications if the funding application met the requirements of a-e in the resolution, below. Following discussion, and a change in wording, Chairperson Robertson put the motion to the vote.

Resolution CM23-150: Cr Robertson Moved, Cr Laws Seconded

That the Council:

- 1) **Notes** this report.
- 2) **Requests** the Chief Executive bring a draft policy to Council for the endorsement of external funding applications as per the requirements listed as follows:
 - a. The application is to an external funding source
 - b. The application is not seeking funding support directly from the ORC (this would need to be handled through a different assessment process)
 - c. The application is for an initiative that supports existing ORC strategic priorities
 - d. The Council is made aware of any initiatives endorsed under this policy
 - e. The ORC response to the request is made in writing by the chair of the Council

MOTION CARRIED

10.2. Chief Executive's Report

Interim Chief Executive Borren was available to respond to questions about his report, including a query from Cr Scott on Item 8 regarding cost over-runs sitting with Port Otago. He questioned what would happen with cost under-runs and whether they would also sit with Port Otago. Interim Chief Executive Borren confirmed that any under-runs would benefit the ORC.

Resolution: Cr Wilson Moved, Cr Weir Seconded

That the Chief Executive's reports be noted.

Motion Carried

11. RESOLUTION TO EXCLUDE THE PUBLIC

Cr Laws requested that the items to be discussed in Public Excluded be publicly released and that the Council does not move to Public Excluded. Pim Borren (Interim Chief Executive) advised the Chief Executive can release any in-confidence material when the reason for confidentiality no longer exists. He noted the minutes contain information that is still confidential and therefore they should be approved with the public excluded.

Cr Laws left the meeting at 4:33 pm

Resolution: Cr Wilson Moved, Cr Noone Seconded:

That the public be excluded from the following parts of this meeting, namely:

- *Confidential minutes of the 22 March 2023 Council Meeting*
- *Confidential recommendations of the 23 March 2023 Audit and Risk Subcommittee meeting*

MOTION CARRIED

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under [section 48\(1\)](#) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1.1 Confidential Minutes of the 22 March 2023 Council Meeting	<p>To protect information where the making available of the information— would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To protect information which is subject to an obligation of confidence or which</p>	<p>Section 48(1)(a): Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant</p>

	<p>any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)</p>	<p>part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p><i>3.1 Recommendations of the 23 March 2023 Audit & Risk Subcommittee (confidential)</i></p>	<p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p>	<p>Section 48(1)(a): Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution was made in reliance on [section 48\(1\)\(a\)](#) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by [section 6](#) or [section 7](#) of that Act or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

12. CLOSURE

There was no further business and Chairperson Robertson declared the meeting closed with a karakia at 4:36 PM.

Chairperson

Date

DRAFT MINUTES

Action Register

Search Criteria

Showing Completed Items: Yes

Include Items Completed From: 26/04/2023

Applied Filters

Start Meeting Date: 1st Oct 2022

Meeting Types: Council Meeting

Generated By: Liz Spector

Generated On: 18/05/2023 at 1:53pm

Council Meeting - 24 May 2023 - OPEN ACTIONS FROM RESOLUTIONS OF 2022 - 2025 COUNCIL MEETINGS

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
07/12/2022	GOV2277 Consideration of terms of reference for committee structure adopted on 9 Nov 2022	Completed	Provide a report to the Public and Active Transport Committee (PATC) on possible development of a regional public and active transport connectivity strategy by 30 April 2023. Res CM22-290	Interim Chief Executive, Manager Transport, Manager Transport	14/02/2023 Governance Support Officer EA to CE and Chair: This action is progressing. 28/03/2023 Manager Transport Report prepared for 10 May meeting 15/05/2023 Governance Support Officer Report included in Public and Active Transport Committee agenda on 10/05/2023.	10/05/2023
07/12/2022	COMS2204 Otago Regional Council Community Survey Results 2022	Completed	Provide progress reports on the Community Survey Action Plan to the Regional Leadership Committee during the 2023 financial year. Res CM22-300	General Manager Regulatory and Communications, Manager Communications and Marketing	01/02/2023 Governance Support Officer GM Regulatory and Comms R Saunders: A report will be prepared for the 10 May 2023 Regional Leadership Committee agenda. 15/05/2023 Governance Support Officer Report was provided to Regional Leadership Committee on 10 May 2023.	31/12/2023
22/02/2023	CS2304 Annual Plan 2023/24	Assigned	Have an independent efficiency review performed in FY 2023/24 to inform the Long-Term Plan process. CM23-111	General Manager Regulatory and Communications, Interim Chief Executive		31/12/2023
22/02/2023	GOV2286 Proposal for Participating in a Regional Sector Shared Services Council Controlled Organisation	Assigned	Undertake steps to become a shareholder in Regional Software Holdings Ltd including the signing of a Deed of Accession. CM23-113	General Manager Corporate Services and CFO		22/03/2023

Council Meeting - 24 May 2023 - OPEN ACTIONS FROM RESOLUTIONS OF 2022 - 2025 COUNCIL MEETINGS

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
22/02/2023	Recommendations of the Environmental Implementation Committee	Assigned	Investigate the process required to have RHDV removed from the National Unwanted Organism list. EIC23-104	General Manager Operations, Team Leader Environmental Implementation	16/05/2023 Executive Assistant, Operations Staff have engaged with MPI regarding the process. Information received from MPI on why RHDV is on the list is being reviewed by staff. Staff are looking into an exception for RHDV rather than removal off the list.	30/06/2023
22/03/2023	GOV2306 Proposal to participate in CouncilMARK programme	Assigned	The Chief Executive will execute an agreement with CouncilMARK to undertake an independent assessment in 2023. Res CM23-130	General Manager Regulatory and Communications		06/12/2023
22/03/2023	Recommendations of the Finance Committee	Assigned	Chief Executive directs staff to undertake further work towards development of an annual awards programme including detailed costs AND provide a report to Council for consideration during the upcoming LTP process (Res FIN23-103). Res CM23-136	General Manager Regulatory and Communications		31/12/2023
22/03/2023	Recommendations of the Public and Active Transport Committee	Assigned	Chief Executive to sign the Unit 5 Southern Routes PT services contract extending expiry date to 30 June 2024 (Res. PAT23-103) Res CM23-137	Interim Chief Executive		28/06/2023
26/04/2023	GOV2314 Notice of Motion - Request for ORC to join the Free Fare Campaign	In Progress	The Chief Executive to sign onto the Free Fares Campaign as a coalition member and release information to public following completion. Res. CM23-146	Interim Chief Executive		30/06/2023

Council Meeting - 24 May 2023 - OPEN ACTIONS FROM RESOLUTIONS OF 2022 - 2025 COUNCIL MEETINGS

Meeting Date	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
26/04/2023	GOV2313 Notice of Motion - Request for report on feasibility of free off-peak travel	Assigned	Provide a report to the PATC on feasibility of free off-peak public transport and the potential costs (e.g., lost revenue) and benefits (e.g., reduced pressure at peak times, reduced delays at peak times, equity impacts, reputation impacts) to help inform relevant LTP decisions. Res. CM23-147	Interim Chief Executive, Manager Transport		06/12/2023
26/04/2023	Chairperson's Report	Assigned	Chief Executive to provide a draft policy to Council for the endorsement of external funding applications as per the requirements recorded in the motion. CM23-150	General Manager Governance, Culture and Customer, Interim Chief Executive		30/06/2023

8.1. Annual Plan 2023-24 Adoption

Prepared for: Council

Report No. CS2314

Activity: Governance Report

Author: Mike Roesler, Manager Corporate Planning
Sean Geary, Management Accountant

Endorsed by: Nick Donnelly, General Manager Corporate Services

Date: 24 May 2023

PURPOSE

[1] The purpose of this report is to adopt the Otago Regional Council Annual Plan 2023-24 (AP) and enable staff to calculate and present the rating resolution at the 28 June 2023 Council meeting. As part of adopting the AP, this report enables Council to formally approve changes to the draft estimates and work programme as provided to the community for feedback.

RECOMMENDATION

That the Council:

- 1) **Notes** the community feedback on the Otago Regional Council Draft Annual Plan 2023-24.
- 2) **Notes** the changes that have been made to the approved draft Annual Plan financial estimates that are now included in the Annual Plan 2023-24 presented at the 24 May 2023 Council meeting for adoption.
- 3) **Notes** the supplementary paper to this meeting titled 'Annual Plan – additional content' provides the 'Funding Impact Statement – Calculation of Rates for the 2023/2024 Year' to be included in the Annual Plan 2023-24.
- 4) **Approves** the Otago Regional Council Schedule of Fees and Charges applicable from 1 July 2023.
- 5) **Resolves** that it is financially prudent to have an annual operating surplus of \$498,000 for the 2023-2024 Annual Plan year
- 6) **Adopts** the Otago Regional Council Annual Plan 2023-24 as circulated with this report.
- 7) **Approves** the delegation of minor editorial corrections, formatting, and inclusion of 'Funding Impact Statement – Calculation of Rates for the 2023/2024 Year' to the Annual Plan 2023-24 to the Otago Regional Council Chief Executive.

BACKGROUND

[1] This Annual Plan process has reviewed the adopted Long-term Plan (LTP) year 3 financial estimates and associated activity. During this process Councillors have received four workshops considering information about the LTP work programme and associated financial estimates.

[2] A draft position on adjustments to the LTP work programme and financial estimates for the 2023-24 financial year was approved at the 22 February 2023 Council meeting.

- [3] The draft position for 2023-24 indicated no significant change to the LTP and Councils' intention to stick with the services and service levels as planned over the three-year cycle.
- [4] Council where extremely mindful of the rating impacts that sticking with the LTP programme would have. Table 1 shows the actual and proposed rate increases against what was planned in the LTP.
- [5] Inflationary impacts have been considerable and while absorbed in year 2, could not be absorbed in year 3 without cuts in planned service. This resulted in a draft total rate funding increase of 18.1% compared to the LTP estimate of 12.0%.

Table 1: Annual Plan Rate Increases vs LTP Estimates

Average Total Rate Increase	LTP Estimates	Annual Plan 2022/23	Draft AP 2023/24
Year 1: 2021/22	48.5%		
Year 2: 2022/23	18.0%	18.0%	
Year 3: 2023/24	12.0%		18.1%

- [6] While there was no legal requirement to publicly consult, Council decided at the February meeting to seek community feedback about the rates increase and more generally the 2023-24 programme.
- [7] Feedback was open to the community for five weeks across March and April 2023 and approximately sixty responses were received with nineteen of those being letters, mainly from organisations and community groups. This feedback was consolidated into one document and posted on Council's website.
- [8] Council considered the community feedback at its' 11 May 2023 workshop along with the final steps needed to adopt the Annual Plan 2023-24 (AP).
- [9] Council provided direction to staff early in the AP process that a 24 May 2023 adoption was desired. This enables Council to prioritise time and effort on other matters, including the LTP 2024-34 process.

DISCUSSION

- [10] In preparation for adopting the AP at the 24 May 2023 Council meeting, direction was provided to staff at the 11 May 2023 Council workshop on what to change in the draft AP. Direction was also provided to staff on actions requiring a follow-up but no change to the draft AP.
- [11] Based on that direction, Council staff have included the following changes in the draft AP:
- a. A rating freeze for landowners located in the targeted rating areas Taieri Drainage Schemes c.
 - b. Follow-up with the Upper Clutha Wilding Tree Group to explore a potential application (\$30k) to the ORC ECO-Fund. Council could potentially provide

funding under the provisor that Queenstown Lakes District Council agreed to fund the remaining 50%.

- c. Reallocation/reprioritisation of budgeted staff resource (engineering) to support the Dunedin Tracks Network to complete the Wingatui to Waihola via the operational use of and access to ORC flood bank assets.

[12] Attachment 1 of this report provides the AP for Council adoption and as per recommendation 6 of this report. Following adoption, the only changes that will occur to attached version are:

- Those agreed by Council at this 24 May 2023 meeting providing they have no material impact on the financial statements
- Under recommendation 7 being the CEO's delegations on this matter:
 - i. Inclusion of the '*Funding Impact Statement – Calculation of Rates for the 2023/2024 Year*'. This has been provided in a supplementary paper to this 24 May Council meeting. It is a legal requirement and has been included in previous years plans.
 - ii. Minor corrections resulting from a final and detailed editorial proof.
 - iii. Modest design work to improve formatting and presentation of the document.

OPTIONS

[13] This is not an options report but rather presents the final deliverable of a decision-making process that has reviewed year 3 of the adopted Long-term Plan 2021-31. This process was initiated with the Otago Regional Council elected representatives in August 2022 and has included multiple reports and workshop presentations to reach this point.

[14] However, the Council does have two decision-making options regarding the 'Taieri rates freeze'. This is discussed in sections 14(a) and 25 to 30.

[15] Option 1: Council decides to adopt the AP including the 'Taieri rates freeze' and as per attachment 1.

[16] Option 2: Council decides to adopt the AP excluding the 'Taieri rates freeze'. This option would require staff to rework the financial statements, reflect the revised statements in the AP, and reschedule adoption of the AP to the 28 June 2023 Council meeting. Council is legally required to have the AP adopted by 30 June 2023.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[17] No further considerations at this final stage of the process.

Financial Considerations

[18] The full suite of required financial and funding statements have been completed and are included in the AP provided for adoption. They fully and accurately reflect the direction provided at the 11 May 2023 Council workshop to proceed with completing the 'Financial Statements' based on the approved draft proposal plus post community feedback adjustments as outlined in paragraph 14 above.

[19] Table 2 provides a summary of the forecast expenditure at the activity level. It totals \$114.1 million compared to the \$110.2 million as consulted and agreed with the community for the LTP year 3. The proposed total expenditure represents an increase of \$3.9 million compared to the year 3 Long-term Plan forecast. Some of this increase is comprised of external grant funded work that does not impact rates.

Table 2: Expenditure Summary by Activity

EXPENDITURE SUMMARY	Actual 21/22	Annual Plan 22/23	LTP 23/34 Year 3	AP 23/34 Year 3	AP vs LTP Mvt \$
Governance & Community	6,881	7,775	7,598	8,649	1,051
Regional Planning	2,748	2,293	2,751	3,071	321
Regulatory	12,829	13,477	14,427	14,245	(182)
Regional Leadership	22,458	23,545	24,776	25,965	1,189
Land & Water	14,157	18,937	18,552	20,293	1,740
Biodiversity & Biosecurity	10,587	11,460	9,824	10,531	707
Air	650	810	786	968	183
Environment	25,394	31,206	29,162	31,791	2,630
Climate Change & Hazards	2,273	3,413	3,551	3,607	57
Emergency Mgt	2,657	3,336	2,960	3,497	537
Flood & Rivers	10,033	12,540	11,894	13,108	1,214
Safety & Resilience	14,963	19,289	18,405	20,212	1,807
Transport	30,150	34,762	37,811	36,118	(1,693)
TOTAL EXPENDITURE	92,965	108,801	110,154	114,087	3,933

[20] The forecast sources of revenue budgeted to cover the cost of Council activity are shown in Table 3.

Table 3: Funding Summary

FUNDING SUMMARY	Annual Plan 22/23	LTP 23/34 Year 3	Mvt %	AP 23/34 Year 3	Mvt %	AP vs LTP Mvt \$
General Rates	23,127	25,226	9.1%	28,263	22.2%	3,037
Targeted Rates	24,101	27,672	14.8%	27,515	14.2%	(157)
Total Rates	47,228	52,898	12.0%	55,778	18.1%	2,880
Grants	22,102	17,760	-19.6%	20,497	-7.3%	2,737
Fees & Charges	6,861	7,451	8.6%	5,951	-13.3%	(1,500)
Bus Fares	5,506	8,667	57.4%	6,100	10.8%	(2,567)
Other Income	3,003	3,086	2.8%	2,474	-17.6%	(612)
Dividends	14,000	15,000	7.1%	15,000	7.1%	
Interest & Investment Income	928	928	0.0%	1,378	48.5%	450
Reserves - SRD	6,499	2,496	-61.6%	5,070	-22.0%	2,574
Reserves	2,675	1,870	-30.1%	1,841	-31.2%	(29)
Total Non Rates	61,574	57,256	-7.0%	58,309	-5.3%	1,053
TOTAL REVENUE	108,801	110,154	1.2%	114,087	4.9%	3,933

- [21] The proposed total rating revenue (general and targeted) is \$55.8 million. Compared to the LTP year 3 the proposed total rates have increased by \$2.9 million (5.4%). The proposed increase is comprised of \$3.0 million general rates, and -\$0.1m targeted rates. The additional general rate increase includes \$2.6 million for inflationary impacts on staff costs. Other costs have also been increased to reflect inflationary and general market increases to services Council requires to deliver agreed services.
- [22] The only change in funding to that reported in the Draft AP proposal as approved at the 22 February 2023 Council meeting is the 'Taieri rates freeze'.
- [23] Council considered this request in the Annual Plan workshop on 11 May 2023 and on that basis the Annual Plan has been amended to hold the targeted rates requirement at the same amounts in the current 2022-23 year. That applies to the three Taieri schemes as follows:

Table 4: Taieri Flood and Drainage Scheme Targeted Rate Increases

	Annual Plan 2022/23	Draft AP 2023/24	Draft AP Increase
East Taieri Drainage	640,000	720,000	80,000
Lower Taieri Flood Protection	1,050,000	1,150,000	100,000
West Taieri Drainage	820,000	920,000	100,000

\$ GST Exclusive

- [24] The increases above totalling \$280,000 have now been removed and the amounts reflected in the Annual Plan 2023-24 for adoption are now the same as those in the 2022-23 current year annual plan.
- [25] For the East Taieri Drainage scheme the actual rates struck in 2022-23 was adjusted to \$610,000 to correct an error in the calculation of the previous 2021-22 rates strike. As a result, the ratepayers in this scheme will still receive an increase on the amounts actually struck and invoiced last year even though the total rates requirement is being held at \$640,000.
- [26] Additionally, Dunedin City properties have been revalued and the 2023-24 rates will be struck using the updated valuations. As a result, rates apportionment will vary from the

previous year and even though the overall rates requirement is being held at the 2022-23 Annual Plan amount, individual property rates amounts will still change from the previous year.

- [27] Rural properties also increased less than the average revaluation increase of 37.8% across all of Dunedin so it is also likely rates amount for some rates categories for the ratepayers in these schemes will decrease as a result.

Impact on rates

- [28] The LTP estimated an average rates increase of \$53.89 in year 3 to \$502.79. This has now increased in the Annual Plan 2023-24 by a further \$27.37 to \$530.17.

Table 5: Average Rates

Rate Units 120,989	Annual Plan 22/23	LTP 23/34 Year 3	Mvt	AP 23/34 Year 3	Mvt	AP vs LTP
General Rates (\$'000)	23,127	25,226	2,099	28,263	5,136	3,037
- Average	\$ 219.82	\$ 239.77	\$ 19.95	\$ 268.64	\$ 48.82	\$ 28.86
Targeted Rates (\$'000)	24,101	27,672	3,571	27,515	3,414	(157)
- Average	\$ 229.08	\$ 263.02	\$ 33.94	\$ 261.53	\$ 32.45	-\$ 1.49
Total Rates (\$'000)	47,228	52,898	5,670	55,778	8,550	2,880
- Average	\$ 448.90	\$ 502.79	\$ 53.89	\$ 530.17	\$ 81.27	\$ 27.37

Balancing the budget

- [29] Council is required to ensure that estimated revenue is sufficient to cover estimated operating costs. Council can however set its revenue at a different level, if Council resolves that it is financially prudent to do so. Table 6 shows the operating surplus / deficit position for Annual Plan 2023-24.

Table 6: Operating Surplus / (Deficit)

Statement of Comprehensive Revenue and Expense		22/23 AP \$000	23/24 LTP \$000	23/24 AP \$000
Revenue from non-exchange transactions				
	Rates revenue	47,228	52,898	55,778
	Grant revenue	22,102	17,760	20,497
	Other revenue	10,406	17,241	15,202
Revenue from exchange transactions				
	Dividends	14,000	15,000	15,000
	Interest & Investments	750	750	10,250
	Other revenue	5,583	5,583	4,317
Total Revenue		100,069	109,231	121,043
Employee Benefits		32,692	33,174	35,823
Depreciation		4,356	4,442	4,211
Finance Costs		250	262	9,500
Operating Expenses		66,022	68,962	71,789
Total Expenditure		103,320	106,841	121,323
Other Gains/Losses		1,064	1,006	1,265
Surplus/(Deficit)		(2,186)	3,396	984

- [30] It is estimated that for the 2023-24 financial year, operating revenue will exceed operating costs and there is an estimated operating surplus of \$1.0 million.
- [31] The LTP assumed a surplus in year 3 mainly due to property sales (Birch / Kitchener Street and Stafford Street) being included in that year. These sales were excluded in the Draft AP approved for engagement which included a deficit of \$2.3 million.
- [32] Since that time, the sale of Birch / Kitchener has been approved and that transaction has been reinstated in the final Annual Plan 2023-24 presented for adoption. Recommendation 5 resolves that for 2023-24 it is financially prudent for Council to have planned operating revenue exceeding planned operating costs.
- [33] The numbers above also include adjustments to interest revenue and interest expense to gross up the financing transactions which were shown on a net basis in the Draft AP. These transactions relate to LGFA borrowing and on-lending to Port Otago as well as Council's own borrowing through the LGFA. These transactions do not impact the overall activity expenditure or funding as shown in tables 2 and 3.

Fees and charges

- [34] The Council invited community feedback on its' proposed Schedule of Fees and Charges' and considered that feedback at its' 11 May 2023 workshop.
- [35] At that workshop Council directed staff to include the proposed schedule in the AP for adoption. Council staff have completed that request and recommendation 4 seeks final Council approval.

Significance and Engagement

- [36] There are no further considerations for Council at this final stage of the process. It is assumed that no change will be introduced to the forecast estimates and associated work programme that might be deemed significant.

Legislative and Risk Considerations

- [37] This report enables the Council to meet a core planning and decision-making requirement under the Local Government Act 2002. To give effect to this plan the Council must approve a rating resolution prior to 30 June 2023.

Climate Change Considerations

- [38] Improvement to measures and targets associated with ORC's Climate Change programme as reported to the Finance Committee during 2022-23 have been included in the AP.

Communications Considerations

- [39] As with previous corporate planning processes that have included community feedback, correspondence will be sent to submitters thanking them for participating and outlining the decisions of Council.

NEXT STEPS

- [2] The next steps are:
1. Approval of the Council Rating Resolution at the 28 June 2023 Council meeting.
 2. Implementation of the AP from 1 July 2023.

3. Respond to organisations regarding their feedback.

ATTACHMENTS

1. 2023/24 Draft Annual Plan [**8.1.1** - 1 page]



Annual Plan 2023-2024

orc.govt.nz/ap

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Introduction from the Chair

The Otago Regional Council has adopted the 2023-2024 Annual Plan outlining our work priorities over this next financial year. With it, we are committed to staying on track towards achieving the mahi that you in our communities asked us to do.

Three years ago, when we drafted a long-term 10-year work programme, you helped us set out our priorities, asking us to raise Otago's environmental standards, support communities to be more resilient in the face of climate change, improve and restore land and water quality and provide better public transport.

The priority is ensuring we deal with vital land and water environmental challenges and restore and protect our precious waterways.

We are also working hard to inform communities about climate change-related risk in Otago, for example with the community at the head of Lake Whakatipu around Glenorchy, and the South Dunedin community. We monitor and plan pest control efforts, an area where it has been crucial to have community partnerships in place. This has been a strong focus for our growing team of dedicated catchment advisors, who provide advice, facilitating assistance to landowners, communities and catchment groups. These are people who, like us, seek improved water and land practices and more sustainable communities. We also support community-led and Government-funded projects for community-led catchment initiatives restoring important waterways.

As you can see, we are not alone. I want to thank our community, who are equally as invested in our beautiful region; who keep us on track, let us know what they think and participate in consultative and engagement processes, including on what we proposed in this Annual Plan. Later this year, we will be asking for feedback again into our emerging Land and Water Regional Plan, a critical guide to enable all custodians to better manage Otago's lakes, rivers and streams with new and improved rules and regulations.

Our iwi partners have been alongside us on this journey. There is great strength in standing together. As kaitiaki/guardians of our land, mana whenua partnership is critical to a positive, sustainable future.

The people of Otago have invested in a vision for our outstanding region in a dynamic and challenging three-year period. This newly-elected council has needed to make some tough decisions, prioritising resilience and sustainable futures while acknowledging a changing economic environment and inflationary pressure — pressures facing all of Aotearoa New Zealand and unforeseen three years ago. Considered investment in capacity, capability and key projects will keep us on our current pathway to achieving our communities' collective goals.

Later this year, we will review and redraft our Long-term Plan (LTP). This will take a longer view of the work programmes, and the expenditure and funding (including rates) needed to deliver the next 10 years of work. Since the last LTP, we have built a solid foundation and a clear pathway. Together with Otago's community, we expect to build on that and forge ahead with important work to protect, restore and enhance our environment.

Kā mihi,



Gretchen Robertson, ORC Chair.

Overview

Why does this document matter?

This Annual Plan 2023-2024 (AP) reflects the results of a process that decides what adjustments, if any, are required to the adopted Otago Regional Council Long-term Plan 2021-31 (LTP).

The LTP assists Council to achieve the purpose of local government under the Local Government Act (2002) to:

- *Enable democratic local decision-making and action by, and on behalf of, communities and*
- *Promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.*

Council has identified how it contributes to 'well-being' and this is reflected in Part two Community Outcomes section of the LTP.

Commitments, Priorities and Long-term Plan 2021-31

Commitments

Our community and central government have expectations of us in our role to protect, connect, enhance, and enable the wellbeing of Otago communities. We made commitments in the 2021-31 LTP, which we are sticking with. They are to:

- Implement central government direction in an Otago context
- Deliver integrated environmental management
- Effectively engage with communities and focus on customer needs
- Collaborate to deliver, including our partnership with mana whenua

Priorities

The Council heard the priorities for Otago's future during our LTP 2021-31 consultation. They include:

- Delivery of a regulatory framework to meet government and community aspirations for land and water environmental outcomes
- Capacity to implement the Pest Management Plan
- Improve the community's understanding of climate change-related risk in Otago for informed decisions and action
- Improved partnerships and community engagement

Long-term Plan 2021-31

The LTP describes Council activity, key work programmes that deliver on these commitments and priorities. It defines the expenditure and funding (including rates) needed to deliver this activity. The LTP also includes the Financial and Infrastructure strategies, along with a Revenue and Financing Policy. These are important directional documents embedded in the LTP with latter defining who pays for Council activity (e.g. everybody across the region, or targeted), and how they pay (e.g. rate on land value, or user charge).

What changed to the LTP?

This section outlines the key changes to the LTP as a result of the Annual Plan 2023-24 process.

Overall Council's proposed work is as planned in our LTP. However, our rating requirement is higher than what was originally planned. The LTP forecasted a 12% increase in average total rates (ie general and targeted rates) for the 2023/24 financial year and the points below show the range of service deliverables that this related to.

- Land and Water
 - Regional Plan
 - Integrated catchment action plans
 - Site-specific restoration
 - Strategic Lakes Plan

- Biodiversity and Biosecurity
 - Extending knowledge and monitoring of biodiversity
 - On-the-ground initiatives
 - Implementing the regional pest plan and operations plan
- Safety and Resilience
 - Planning and co-ordination for emergency management response [this occurred in year 2]
 - Better understanding of natural hazards and climate-related risk.

The Annual Plan 2023-24 drafting process resulted in an additional 6.8% requirement, equating to an 18.8% increase in average total rates.

A large portion of this additional funding requirement related to inflationary impacts not assumed in the LTP. The balance also included the following refinements to the planned LTP work programme.

- Environment
 - Continued water remediation work at Toitū Te Hākapupu / Pleasant River
 - Catchment Restoration Plan (non-rates funded)
 - Continued wallaby eradication and Jobs for Nature programme (non-rates funded)
 - Additional land and water work (non-rates funded)
 - Additional air policy staff
- Transport
 - Additional funding to further develop real-time transport information added in Queenstown and Dunedin (non-rates funded)
 - Other public transport changes include increasing driver wages and the ferry service remaining at trial level. Scheduled improvements have been spread across multiple years (no changes to planned rates)
 - Additional funding for flood protection works due to inflationary pressures
- Safety and Resilience
 - Additional climate change hazards staff
- Regional Leadership
 - Reduction in planned consenting staff due to efficiencies
 - Increased prosecution funding required due to the ramping up of our enforcement work
 - Increased response costs due to volume of feedback on national direction, policy, and key issues. Additional iwi relationship and executive support

Community Feedback

The Council invited community feedback on the review of the LTP and the resulting draft Annual Plan 2023/24. Given Council was not proposing any significant change to its' LTP work programme it decided on a less formal consultative approach with specific questions/focus on:

- The level of rating [i.e. the overall value proposition]
- General open-ended feedback about services and service levels

While the level of response was lower compared to LTP consultations [i.e. less than 100 V's greater than 500], the topics/issues in the response was broad. This response is recorded as a public record and available on the ORC website.

All feedback was provided to Councillors and staff for consideration and the following matters were specifically discussed in a Council workshop prior to the adoption of the Annual Plan at the 24 May 2023 Council meeting:

- Requests to reduce funding impacts of rating and fees and charges included; Federated Farmers, Business South, specific landowners located in the Taieri Drainage Schemes

- Funding requests from community-based organisations including; WAI Wanaka, Southern Lakes Sanctuary, Upper Clutha Wilding Tree Group, Dunedin Tracks Network, Community Networks Wanaka - LINK Upper Clutha (via Queenstown Lakes District Council)
- Request to reprioritise (bring forward) planned environmental work for the Clutha Lagoon – Otago Fish and Game
- Confirmation of resource/capacity to implement specific aspects of planned work – Queenstown Lakes District Council

Consideration of the community feedback resulted in Council deciding on the following changes to the draft Annual Plan 2023-24:

- A rating freeze for landowners located in the targeted rating Taieri Drainage Schemes
- Reallocation/reprioritisation of budgeted staff resource (engineering) to support the Dunedin Tracks Network to complete the Wingatui to Waihola via the operational use of and access to ORC floodbank assets
- Invite the Upper Clutha Wilding Tree Group to apply for the 'ORC funded portion' via the ECO-Fund, and under the provisor that Queenstown Lakes District Council agree to fund the remaining 50%

What we will deliver

In this section you'll find an outline of our work represented as ten activities grouped under four key headings:

Our work activities:

1. Regional Leadership
 - Governance and Community Engagement
 - Regional Planning
 - Regulatory
2. Environment
 - Land and Water
 - Biodiversity and Biosecurity
 - Air
3. Safety and Resilience
 - Natural Hazards and Climate Change
 - Flood Protection, Drainage and River Management
 - Emergency Management
4. Transport
 - Transport (including Regional Land Transport and Public Passenger Transport)

Regional Leadership

- Governance and Community Engagement
- Regional Planning
- Regulatory

Our Regional Leadership work supports informed decision making and an engaged community. Our democratic decision-making process and community-elected councillors ensure everyone's voices around Otago are heard and that leadership is provided to benefit Otago. Our regional plans set out objectives, policies and rules for the sustainable use of natural and physical resources in Otago, and our regulatory work supports the sustainable management of water, land, air and coast. We also need organisational and functional strategies and plans to support regional regulation and implementation, Scoping promote regional wellbeing and build community capacity and resilience.

Group Revenue and Expenditure - Regional Leadership

2022/23		2023/24	2023/24
Annual Plan		LTP	Annual Plan
\$000s		\$000s	\$000s
7,775	Governance and Community Engagement	7,598	8,649
2,293	Regional Planning	2,751	3,071
13,477	Regulatory	14,427	14,245
23,545	Expenditure	24,776	25,965
16,499	General Rates	17,730	20,064
200	Targeted Rates	210	210
5,833	Fees & Charges	6,495	4,971
75	Grants	75	225
260	Other Income	282	270
678	Reserves	16	224
23,545	Revenue	24,776	25,965

Governance and Community Engagement

What we do

Connecting our communities in a timely and meaningful way to the work of the Regional Council is vital.

Through our elected representatives and communication and engagement activities, the many diverse voices from around Otago can be heard and be part of our decision-making processes. In turn, we share the stories about our work, to raise awareness of the results of the investment Otago people make in us.

We aim to provide quality leadership that benefits our region and our work in this activity supports Otago's elected Regional Council representatives to carry out their duties.

The key programmes that make up this activity are:

- Media and Communications
- Governance and Democracy

Why we do it

Supporting governance, good decision-making, and connecting and engaging with our communities are essential features of a civilized society. Connecting the community in a timely and accessible way to decision-making and the work of Council is critical. Legislation also enshrines principles, powers, duties and functions that underpin this activity and the need for it.

Key work for year 3

The AP includes a modest increase in the level of capacity for this activity. One full time equivalent position has been included to support partnership with Kāi Tahu and Iwi liaison, along with one other executive support position.

Our work programme includes:

- Elected member committee structure, council meetings
- Partnership with Kāi Tahu and Iwi liaison
- Engaging with partners, organisations and community groups as part of the next Long-term Plan
- Council communications and engagement capacity and expertise to assist with connecting council and the community
- Advice, support and information to assist completion of strategic direction for the next Long-term Plan, climate change, Lakes Strategic Plan, and Otago Harbour Plan
- Secretariat support for the 'Otago Mayoral Forum'

Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Provide and promote governance processes and democratic decision making that is robust and transparent for the community.	
Performance measures	Targets
Percentage of council agendas that are publicly available two working days or more before a meeting	100%
Percentage of official information requests responded to within 20 working days of being logged.	100%

Level of Service: Develop and deliver robust and effective corporate planning and reporting.	
Performance measure	Target
Deliver our statutory requirements with acceptable process and deliverables to decision-makers and the community.	Unmodified audit reports received

Level of Service: Build mana whenua participation in Council decision making through a treaty-based partnership approach in our engagement.	
Performance measures	Targets
Work done in partnership with iwi	Maintain or increase the number of outputs and/or projects*
Build the bicultural competency of ORC staff and councillors.	≥50 participants in programme per year

**from 2021-22 baseline*

Level of Service: Provide relevant, timely and accessible communications and engagement activities which enable the community to understand and participate in ORC's programmes and decision making.	
Performance measures	Targets
Annual survey is conducted to understand and improve community awareness, perceptions and expectations of ORC.	Improved satisfaction levels with how ORC services the region
Customers express high levels of satisfaction with customer service provision.	Conduct benchmarking of customer satisfaction

Level of Service: Collect information on Otago regional wellbeing (economic, social, cultural, and environmental) and identify significant issues.	
Performance measure	Targets
Report on community wellbeing indicators.	Complete baseline report on wellbeing indicators and issues.

Level of Service: Collect and make publicly available accurate, relevant and timely information on climate change in Otago.	
Performance measure	Targets
Information on climate change in Otago is shared with the community and stakeholders.	Coordinate the development and delivery of a regional sequestration study by December 2023

Level of Service: Lead a regional approach to climate change in partnership with local councils and iwi.	
Performance measure	Targets
Report on regional stakeholder engagement and collaboration on climate change.	Complete annual report on regional climate change collaboration and report to Council by 30 June
Develop a Regional Climate Strategy	Strategy finalised and reported to Council by 30 June.

Regional Planning

What we do and why

This activity sets strategic direction on Otago’s natural resources through a resource planning framework that guides how people interact with the environment. Our regional plans set out objectives, policies and rules for sustainably using natural and physical resources in Otago, including water, land, air, and the coast.

The Regional Policy Statement (RPS) is a critical component of this activity that sits over the various plans that ORC has developed under the Resource Management Act. These plans include water (fresh water, land and coast), air, and waste. As part of this activity we also work with our partners including the Dunedin City Council and Otago’s District Councils to implement our RPS. This liaison role with the City and District Councils also supports some of Council’s other functions such as engineering and hazards management. Importantly our Urban Development works within this planning, partnership and advisory framework and indeed other regulatory frameworks such as Transport. An integrative approach is taken.

Key work for year 3

The Annual Plan maintains capacity to:

- Complete the Regional Policy Statement
- Progress the development of the Regional Plan: Air. This Annual Plan includes additional air policy staff
- Progression of the Regional Plan: Coast - follows
- Progress the Urban Development Strategy
- Respond to national legislative processes to advocate for Otago eg submissions, select hearings
- Work with Otago’s other councils regarding the implementation of the RPS
- Work in partnership with Dunedin City Council and Queenstown District Council on an Urban Development Strategy

Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Support Otago’s councils and communities to manage environmentally sustainable urban growth.	
Performance measure	Target
Develop an integrated planning framework that enables well managed urban growth across Otago.	Joint ORC and DCC/QLDC HBA update and joint FDS completed by 30 June
	Mapping of highly productive land completed by 30 June*

**To align with the National Policy statement on Highly Productive Land (NPS-HPL)*

Level of Service: Develop and maintain an environmental planning framework that aligns with national directions and enables sustainable management of natural and physical resources.	
Performance measure	Target
Complete review of existing Regional Policy Statement (RPS).	Make RPS operative

Regulatory

What we do and why

As a Regulatory authority, ORC supports the sustainable management of water, land, air and the coast. We process resource consents, develop rules for how natural resources are used and managed, monitoring them and ensuring the rules are applied. We investigate activities that don't comply, providing services to ensure activities in Otago are consistent with both national and regional rules in the Resource Management Act.

Regulation is not the only way to get results. ORC has an educational and awareness-raising role, collaborating with Otago communities on campaigns to increase knowledge and understanding of environmental matters.

We are also responsible for maritime activity and navigational safety on lakes, rivers and harbours and for the regulation of ports under the Maritime Transport Act. In Queenstown and Wānaka, navigational safety is delegated to the Queenstown Lakes District Council.

The key programmes that make up this activity are:

- Consent Processing
- Compliance Monitoring and Contaminated Sites
- Incident Response, Investigation and Enforcement
- Harbours and Waterway Management

Key work for year 3

The Annual Plan maintains service levels.

Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Provide effective, efficient and customer centric consenting processes under the Resource Management Act (RMA) 1991 to enable the lawful use of natural and physical resources.	
Performance measures	Targets
Percentage of resource consent applications processed in accordance with Resource Management Act 1991 legislative timeframes.	≥98%
Percentage of public inquiries for consent information completed within 7 working days.	maintain or increase*

**from 2021-22 baseline*

LOS: Provide effective and efficient compliance monitoring, investigations and enforcement services and take appropriate actions to ensure the lawful use of natural and physical resources.	
Performance measures	Targets
Percentage of performance monitoring returns completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	≥90%
Percentage of programmed inspections/audits completed each year, as per the Compliance Audit and Performance Monitoring Schedule targets.	≥90%
Percentage of significant non-compliances identified where action is taken in accordance with Compliance Policy.	100%

Level of Service: Provide effective and efficient environmental response services to pollution incidents or notifications of non-compliant activities.	
Performance measures	Targets
Maintain 24-hour/7 day a week response for environmental incidents.	Pollution hotline staff available/on call 24/7
Maintain 20 appropriately trained responders for maritime oil pollution incidents.	20 responders attend 3 exercises per year

Level of Service: Develop and maintain robust regulations and procedures to enable safe use and navigation of our region's ports, harbours, coastal areas and inland waterways.	
Performance measure	Target
Maintain compliance with Port and Harbour Marine Safety Code.	External review is completed and deemed to be code consistent.

Level of Service: Promote and encourage safe use of ports, harbours, coastal areas and inland waterways and take appropriate action in response to non-compliance and incidents.	
Performance measures	Targets
Major incidents on Otago's harbours and waterways will be responded to.	Major incidents and ORC's response are reported to Council quarterly
On-water engagement, education of recreational users and safety campaigns are documented and reported annually.	Report to Council by 30 June

Environment

- Land and Water
- Biodiversity and Biosecurity
- Air

Environmental management is at the heart of what the regional council does. Our focus over this LTP has been to enhance the overall effectiveness of environmental management by:

- Establishing robust regional plans that underpin the protection and use of Otago's natural resource. The Regional Plan: Land and Water is a priority
- Transition to an integrated catchment management approach
- Leading, partnering and working with community groups, stakeholders and land managers to promote desired environmental outcomes
- Increasing our level of work in biosecurity (pest) management
- Continuing to promote the protection of Otago's unique biodiversity via coordinated and cross-agency initiatives across the region
- Improved science with a focus on better environmental monitoring to inform our regional planning and decision-making about Otago's natural resources

The air quality implementation programme was paused at the start of year 1 of this LTP cycle due to funding and capacity constraints. Year 3 of the LTP indicates work progressing on a Regional Air Plan and Strategy to inform the future implementation programme. Our air monitoring programme continues, with some improvement.

Group Revenue and Expenditure – Environment

2022/23 Annual Plan \$000s		2023/24 LTP \$000s	2023/24 Annual Plan \$000s
18,937	Land and Water	18,552	20,293
11,460	Biodiversity and Biosecurity	9,824	10,531
810	Air	786	968
31,206	Expenditure	29,162	31,791
16,859	General Rates	18,406	19,455
4,814	Targeted Rates	6,365	6,320
205	Fees & Charges	210	
5,518	Grants	2,179	3,841
364	Other Income	364	
3,447	Reserves	1,638	2,176
31,206	Revenue	29,162	31,791

Land and Water

What we do

Our role involves working with Otago communities to manage water quality and quantity. To do this well we need robust, integrated and consistent regional plans and strategies. Our current work includes an ambitious planning programme to develop a new Land and Water Regional Plan by 2023.

We also assess water quality and quantity through our network of monitoring sites across the region, and this data informs planning and future decision-making. Our water monitoring and science programmes have expanded to include monitoring estuaries, the coast, groundwater, biomonitoring, land-use and soil monitoring.

We collaborate with communities to protect Otago's water resource through education, engagement and action. Our implementation programme includes education and support for landowners and catchment groups, as well as involvement in community-led projects and remediation works.

The key programmes which make up this activity are:

- Land and Water Planning
- Land and Water Implementation
- Land and Water Science and Monitoring

Why we do it

Protecting our high quality freshwater and improving degraded freshwater is a key community concern in the region. Although parts of the region have good or excellent water quality, some catchments have degraded water quality. There is evidence of a greater number of degrading water quality trends, compared to improving, across ORC's monitoring sites between 2006 and 2017. Additionally there have also been strong pressures on water allocation in some parts of the region.

ORC has a key role to play to ensure Otago's water bodies and coast support healthy ecosystems, and a healthy community:

- Only ORC has the power to control the use of water, land, and the coast under the Resource Management Act (1991)
- It must engage with the region's communities to define visions and objectives for the region's freshwater bodies, and identify the methods to achieve these visions and objectives (National Policy Statement for Freshwater (2020))
- It has the technical expertise and knowledge to advise on the region's environmental health, issues and risks, and to monitor natural water resources

Importantly water also plays a significant role in Kāi Tahu spiritual beliefs and cultural traditions. When the natural environment is strong and healthy, the people are strong and healthy and so too is their mana.

Key projects

The AP maintains the agreed LTP programme. As a recap the key work programmes include:

- Continue preparation of the Regional Plan: Land and Water
- Precursory work to initiate the review of the Regional Plan: Coast
- Environmental Enhancement (fresh water implementation)
 - Priority site specific projects of Lake Hayes, Tomahawk Lagoon and Lake Tuakitoto
 - Support for catchment groups and land managers delivering desired results. Includes funding of Otago Community Catchments (OCC), Upper Clutha Lakes Trust
 - Support of various grant funded projects and community initiatives including; Te Hākapupu / Pleasant River, hill country erosion, Environmental Freshwater Fund
 - Complete scoping study for Otago Lakes Strategic Plan

- Planned increase in capacity to prepare integrated catchment action plans
- Further increase in science and environmental monitoring staff capacity

Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Monitor the state of Otago's freshwater resources and coastal environment and make accurate, relevant and timely information publicly available.	
Performance measures	Targets
Implement a regional coastal environment monitoring programme	Annual report on monitoring programme completed and reported to Council
Implement freshwater environment monitoring programme	Annual report on monitoring programme completed and reported to Council
Implement estuarine environment monitoring programme	Annual report on monitoring programme completed and reported to Council
Percentage of data from the water monitoring network that is captured quarterly.	≥95% data capture achieved

Level of Service: Monitor Otago's land use and make accurate, relevant and timely information on sustainable land use publicly available.	
Performance measures	Targets
Develop and implement a regional land use monitoring programme	Annual report on monitoring programme completed and reported to Council
Percentage of data from the land-use monitoring network that is captured quarterly.	≥95% data capture achieved

Level of Service: Provide a robust and integrated environmental planning framework for Otago's land, water and coast resources.	
Performance measures	Targets
Complete the Land and Water Regional Plan (LWRP).	Notify LWRP by 30 June 2024*
Complete a review of the Regional Plan Coast	Issues and options papers developed and reported to Council by 30 June

** An extension to the notification timeframe was requested in early 2023. David Parker, Minister for the Environment, subsequently granted an extension of the planned notification date by six months to 30 June 2024.*

Level of Service: Develop and maintain an environmental planning framework that aligns with national directions and enables sustainable management of natural and physical resources.	
Performance measure	Target
Catchment Action Plans (CAPs) are developed in collaboration with iwi and community.	Drafting of pilot CAP completed and drafting of second CAP commenced by 30 June

Level of Service: Support Catchment Groups in Otago to deliver their environmental outcomes and objectives.	
Performance measures	Targets
Otago Catchment Communities funding is administered as per agreement.	100%
Otago Catchment Communities is supported to meet deliverables and targets of funding agreement.	Report to Council on deliverables and targets achieved by 30 June

Level of Service: Promote and enable best practice land management for soil conservation, water quality preservation, the efficient use of water and to enhance Otago's biodiversity and ecosystems.	
Performance measure	Target
Land-owner/community led projects promoting best practice land management for soil conservation, water quality and the efficient use of water are identified and supported.	Three or more projects supported per year

Level of Service: Collaborate with iwi, communities and landowners to develop and deliver a programme of actions to improve water quality and indigenous biodiversity in selected degraded waterbodies.	
Performance measure	Targets
At least three site specific action plans for selected degraded waterbodies are developed, prioritised, and implemented.	Projects confirmed and actions identified by 30 September
	90% of actions undertaken within specified timeframes

Biodiversity and Biosecurity

What we do

Otago is home to unique species that we need to look after. Our Regional Pest Management Plan (Pest Plan) sets out the framework for how pest plants and animals will be managed in Otago. It is supported by a Biosecurity Strategy that looks at how we will work with other organisations and the community to achieve the goals set out in the pest plan.

Our biosecurity work supports the control of prolific pests, such as feral rabbits. We do this by educating our communities, facilitating compliance and through funding projects. Council also plays a lead role in facilitating government funding and overseeing projects such as wilding conifer removal and wallaby eradication.

Council's biodiversity work programme is growing and our monitoring programme is progressing. We are strengthening partnerships across the region and we encourage and empower communities to take local action through our ECO-fund.

The key programmes which make up this activity are:

- Biodiversity Science and Monitoring
- Biodiversity Implementation
- Biosecurity (Pest Management)
- Wilding Conifers

Why we do it

At a national level the 2020 *Te mana o te Taieo*, National Indigenous Biodiversity Strategy, articulated the urgency of addressing biodiversity decline in New Zealand and the draft National Policy Statement on Indigenous Biodiversity identified a key role for regional government in leading collaboration and coordinating efforts.

Under the Biosecurity Act 1993, Otago's Regional Pest Management Plan (RPMP) identifies 51 species to be managed by land occupiers, with oversight from us.

There are many agencies and stakeholders across different land tenures involved in and/or with an interest in biodiversity in Otago. ORC is the only agency with a remit across all of Otago to promote biodiversity protection and enhancement. It has a key role in facilitating regional collaboration, including both developing a monitoring approach and seeking to partner in projects and initiatives.

Key work for year 3

The AP maintains the agreed LTP programme, albeit planned central government grant funding has radically reduced compared to LTP.

Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Monitor the state of Otago’s indigenous biodiversity ecosystems and make accurate, relevant and timely information publicly available	
Performance Measures	Targets
Develop and implement a regional indigenous biodiversity ecosystems monitoring programme.	Annual report on monitoring programme completed and reported to Council
Percentage of data from the biodiversity monitoring network that is captured quarterly.	≥95% data capture achieved

Level of Service: Collaborate with iwi, DOC and other key organisations to develop, coordinate and deliver a programme of actions to enhance indigenous biodiversity.	
Performance measures	Targets
Actions listed in the Biodiversity Action Plan (BAP) are prioritised and progressed.	90% of current year actions achieved within timeframes specified
Biodiversity partnerships established and joint projects developed and progressed.	Maintain or increase number of partnership engagement activities and events and report to Council
	Projects and progress against milestones reported to Council

Level of Service: Provide support and funding to selected initiatives and organisations across the region which deliver biosecurity, biodiversity and environmental outcomes that align with our strategic objectives.	
Performance measures	Targets
Percentage of funding administered as per agreements.	100%
Complete a report on the initiatives and organisations supported and the key deliverables achieved.	Report to Council by 30 June

Level of Service: Develop and deliver practices and programmes that give effect to the Regional Pest Management Plan (RPMP).	
Performance measure	Target
Actions within the Biosecurity Operational Plan (BOP) are identified and progressed.	90% of actions achieved within timeframes specified

Air

What we do

Good air quality is necessary for health and well-being. We are responsible for making sure our region complies with the government's National Environmental Standard for Air Quality and, under the Resource Management Act, for controlling the discharge of contaminants into the air.

Meeting air quality standards is especially challenging in areas with extremely cold winter weather and temperature inversions. Otago's air quality often degrades during winter when domestic heating emissions increase with cold and calm weather and inversion layers occur.

We monitor air quality at sites across Otago, including Milton, Mosgiel, Dunedin, Alexandra, Clyde, Cromwell and Arrowtown. These sites measure the concentration of particles in the air and capture a mixture of pollutants.

ORC also contributes to clean air and healthy homes as a Trustee of the Cosy Homes Trust.

The key programme which makes up this activity is:

- Air Monitoring
- Regional Plan: Air
- Air Strategy [Air Quality Implementation programmed paused]

Why we do it

In Otago air pollution is mostly driven by emissions from home heating home insulation and ventilation and is mostly observed in winter. Arrowtown, Clyde, Cromwell, Alexandra and Milton are the pollution hotspots of the region. Outdoor burning is an additional factor to air pollution.

ORC has a key role to play to protect Otago's people from the risks of air pollution. Only ORC has the power to control discharges of pollutants to air under the Resource Management Act (1991) and is required to implement the National Environmental Standards for Air Quality (2004).

Key projects

The Annual Plan programme includes:

- Review the Regional Plan: Air – requires an update to existing rules, policies and information to provide an appropriate regulatory framework for Otago
 - Drafting in year 4 for notification by 30 June 2025
- Maintaining our air quality monitoring
- Pausing our air quality implementation work until July 2023. An Air Implementation Strategy will be drafted will inform future implementation action to reduce air pollution

Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Monitor Otago’s air quality and make accurate, relevant and timely information publicly available.	
Performance measures	Targets
Implement regional air monitoring programme.	Annual report on monitoring programme completed and reported to Council
Percentage of data from the air monitoring network that is captured quarterly.	≥95% data capture achieved

Level of Service: Provide a robust and integrated environmental planning framework for Otago’s air resource.	
Performance measure	Target
Complete review of the Regional Plan - Air.	Issues and options papers completed by 31 December 2023
	Community engagement for development of Regional Plan - Air completed by 30 June

Level of Service: Develop and implement partnerships and programmes to reduce harmful emissions and support clean heating, warm homes and clean air.	
Performance measure	Target
Air implementation strategy is scoped.*	Reported to Council by 30 June

**Yr3 target has been revised to align with Air plan review timeframes.*

Safety and Resilience

- Natural Hazards and Climate Change
- Flood Protection, Drainage and River Management
- Emergency Management

Risk management and building resilience is a key focus for ORC and our capacity to deliver work across these three activities has increased over this LTP cycle. Identifying, monitoring and communicating natural hazards to support informed decision-making remains our focus. Historical decisions about flood protection and drainage has provided many Otago communities with legacy flood and drainage infrastructure that manages a certain level of risk, and in the case of drainage enables productive land use. While this LTP, in the large part, has continued to support a level of asset management that provides flood protection schemes to help protect people and properties from floods, the risk profile is changing. Climate change is a critical factor in this and the Infrastructure Strategy (IS) contained in the LTP highlights the key issues, our understanding of these issues, and next steps.

Climate Change has implications beyond our IS for the Otago and Council is working to better understand the broader issues, risks and challenges. This informs adaptation planning.

Given that the risk of natural hazard events is changing it is crucial that the community can in the first instance respond effectively. This LTP cycle has seen the regions' Civil Defence and Emergency Management capacity increase with more staff to plan and implement an effective response.

Group Revenue and Expenditure – Safety & Resilience

2022/23		2023/24	2023/24
Annual Plan		LTP	Annual Plan
\$000s		\$000s	\$000s
3,413	Climate Change & Natural Hazards	3,551	3,607
12,540	Flood Protection, Drainage and River Management	11,894	13,108
3,336	Emergency Management	2,960	3,497
19,289	Expenditure	18,405	20,212
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3,935	General Rates	4,167	4,354
10,337	Targeted Rates	10,680	10,577
522	Fees & Charges	484	580
1,337	Grants	613	582
869	Other Income	877	1,104
2,289	Reserves	1,584	3,016
19,289	Revenue	18,405	20,212

Natural Hazards and Climate Change

What we do

This activity sets direction on the management of natural hazard risks in Otago. We support decision making to mitigate, or reduce the effects of natural hazards, climate change, and other risks.

We identify, monitor, and investigate natural hazards to provide intelligence that supports community resilience and the ability to adapt to environmental change. Our work includes monitoring rainfall, river and lake levels, and providing public information on water levels and flows, all of which help inform responses to flood events.

We engage with people, communities, iwi partners, and other stakeholders in Otago to develop partnerships and implement projects to address hazard risks, as well as increasing awareness and understanding.

We're working to understand more about the future impacts of climate change on natural hazards so we can collaborate with territorial authorities and communities to prepare and adapt. We're developing a comprehensive spatial approach to natural hazards to inform future priorities, at the same time as undertaking projects for the risks we already know about.

The key programmes that make up this activity are:

- Natural Hazards
- Flood and Low Flow Risk Management
- Climate Change Adaptation

Why we do it

The Otago region is exposed to a wide variety of natural hazards that impact on people, property, infrastructure and the wider environment. The natural hazards threats range from coastal erosion and flooding in lowland coastal areas to alluvial fan deposition, landslip, rock fall, river and lake flooding in alpine areas of the region. There is a need to consider all of these and their interactions as well as the additional risk and uncertainty created by climate change. The RMA requires that natural hazards risks and climate change are addressed as part of regional scale planning.

While high risk places have been identified there is a need to have comprehensive assessment and spatial mapping of the risks to inform planning and decision making. Within communities and businesses there are also different levels of awareness and risk tolerance to hazards, including the implications of climate change and the need for adaptation. Community engagement and communication, including as part of planning for natural hazards and climate change adaptation, is needed to inform the community, and facilitate the awareness and planning necessary to ensure resilient communities.

Key work for year 3

The AP maintains the agreed LTP programme albeit with a modest increase (1 fte) to the Climate Change Adaptation program. As a recap work across the 'Natural Hazards and Climate Change' activity includes:

- Develop a comprehensive risk assessment and mapping of natural hazards across Otago
- Plan the implementation of the Otago Climate Change Risk Assessment
- Work collaboratively with district and city councils to inform planning for natural hazards
- Continue to lead the South Dunedin climate change adaptation programme in partnership with DCC
- Planning and strategy development for managing natural hazards risk for Lindsay Creek and Clutha Delta
- Managing natural hazard and climate adaptation risk for Roxburgh and the Head of Lake Wakatipu in conjunction with District Councils
- Continue to monitor and provide information on natural hazards and events, including making improvements to the coastal hazard monitoring network
- Continue to provide timely warning of flood events and operate the 24/7 flood monitoring

Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Provide information on natural hazards and risks, including the effects of climate change, so that communities and stakeholders can make informed decisions.	
Performance measures	Targets
Relevant and up to date natural hazards information is available via the web-based Otago Natural Hazards Database.	Database information is checked and updated monthly
Percentage of flood warnings that are issued in accordance with the flood warning manual.	100%

Level of Service: Collaborate with communities and stakeholders to develop and deliver natural hazards adaptation strategies.	
Performance measures	Targets
Develop a regional natural hazards risks assessment and a regional approach for prioritising adaptation.	Complete natural hazard risk assessment and prioritisation approach
Develop and implement prioritised natural hazard risks adaptation works.	Work in priority areas is delivered as per plan by 30 June
	Head of Lake Wakatipu natural hazards adaptation strategy progresses as per annual work plan
	ORC contribution to the South Dunedin Future programme progresses as per annual work plan

Flood Protection, Drainage and River Management

What we do

This activity is responsible for operating and maintaining flood protection and drainage schemes throughout Otago.

Around 43,000ha of rural and urban land has council-provided flood protection and drainage infrastructure. Three flood protection schemes, three drainage schemes and one combined flood protection and drainage scheme are council owned and managed. We also own but commission external management for parts of the Lower Waitaki River Control Scheme. The schemes, associated infrastructure assets and more specific detail such as the issues, service standards and work programmes are provided in our Infrastructure Strategy (IS).

Core functions include:

- Maintenance, renewal, and development of infrastructure
- Investigation, development and renewal of amenity projects
- Operation of flood protection and drainage schemes during floods
- Bylaw processing and monitoring of technical compliance with bylaws
- River management including the control of channel erosion, willow maintenance, vegetation control, removing obstructions, and repairing critical erosion works
- Input to consent applications for gravel extraction with a focus on flood protection, river health
- Processing of consents in conjunction with Council's Natural Hazards activity where consent applications may affect flood protections assets and/or rivers

The key programmes which make up this activity are:

- Alexandra flood protection
- Leith flood protection
- Lower Clutha flood and drainage
- Lower Taieri flood protection
- West Taieri drainage
- East Taieri drainage
- Tokomairiro drainage
- Shotover River delta
- Designations and bylaws
- Dunedin rivers and waterways
- Clutha rivers and waterways
- Central Otago rivers and waterways
- Wakatipu rivers and waterways
- Wānaka rivers and waterways
- Waitaki rivers and waterways
- Lower Waitaki river control scheme (Environment Canterbury)

Why we do it

Otago has large, developed areas situated on low-lying river flats often close to sea-level. Our flood protection schemes help protect people and their livelihoods in adverse weather events, while on the other hand our drainage schemes help maintain the productive capability of land. While there is a relationship between the purpose of our flood protection and drainage work there is also this fundamental difference.

Under the Soil Conservation and Rivers Control Act 1941, the council also has important responsibilities. We conduct river and waterway management works to maintain channel capacity, channel stability and environmental outcomes in scheduled rivers and waterways.

River and waterway management works are carried out to maintain river and stream channel capacity, channel stability and environmental outcomes in scheduled rivers and waterways.

Looking after our rivers and waterways sustainably is more than simply managing the risk of floods. It's also about meeting community expectations for the safe, enjoyable, and respectful use of rivers and streams. Working together with communities, our goal is to prepare for future environmental challenges and retain the characteristics of our rivers and waterways that make Otago such a great place to live for everyone.

Operational and Capital Work Programme - 10 years LTP, 30 years Infrastructure Strategy

Up to date information about Council’s planned operational and capital works programme is provided on the ORC website. The figures presented for the first three year (beginning 2023-24 financial year) represent a detailed level of planning compared to years 4 to 10 which are more indicative. The timeframe beyond that is more subject to changes in strategic direction. For example completing scheme performance reviews is highly likely to impact decisions about future service.

Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Provide the standard of flood protection and control agreed with communities.	
Performance measures	Targets
Major flood protection and control works are maintained, repaired, and renewed to the key standards defined in relevant planning documents.	≥90% of planned maintenance programme completed
	Schemes function to their constructed design standards
	≥90% of renewals programme completed

Level of Service: Respond efficiently and effectively to damage from natural hazard events.	
Performance measure	Targets
Damage identified, prioritised and a repair programme communicated with affected communities in a timely manner.	Programme developed and communicated within 3 months of the event

Level of Service: Maintain channel capacity and stability, while balancing environmental outcomes and recognising mana whenua values in rivers.	
Performance measures	Targets
Percentage of identified and reported issues that have been investigated and appropriate action determined and communicated to affected landholders within 20 working days.	100%
Percentage of planned maintenance actions achieved each year.	≥90%

Emergency Management

What we do and why

This activity is responsible for the co-ordination of hazard reduction, readiness, response and recovery for emergency events. It is provided in partnership with councils, emergency response organisations and other stakeholders of the Otago region.

The work of the Otago CDEM Group is administered and co-ordinated by the Otago Regional Council, while governance and operations are overseen by the Coordinating Executive Group (CEG) and the Otago CDEM Joint Committee.

This Committee has the statutory responsibility for civil defence emergency management in Otago. It is a statutory committee of Council under the Civil Defence Emergency Management Act 2002 (the Act) and the Local Government Act. Ultimately it is responsible for:

- Integrating and coordinating civil defence emergency management planning and activities
- Ensuring the response to and management of the adverse effects of emergencies within Otago
- Overseeing the coordination of the response and recovery activities across a range of agencies

The programme in this activity is:

- Emergency Management

Key work for year 3

The AP maintains the LTP program of work noting that an adjustment to the LTP occurred in year 2 (2022-2023) being an additional three full-time equivalent staff (from 14 to 17).

Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Support the Otago CDEM Group in improving the resilience of Otago to civil defence emergencies.	
Performance measure	Target
Support is provided to the Otago CDEM Group as per the CDEM Act and Otago CDEM Partnership Agreement.	Fulfil all requirements as the administering authority

Level of Service: Provide resources to coordinate an efficient and effective region-wide response to a civil defence emergency.	
Performance measures	Targets
An adequate Emergency Coordination Centre (ECC) facility and staffing are available.	Adequate staff who are trained and available for any activation of the ECC
	An appropriate facility is available for activation at all times
Maintain response functionality to enable operational situational awareness when ECC activated.	Response solutions are checked as scheduled and any issues remedied

Transport

This Group contains one activity, also named Transport. The Transport Activity includes the following work programmes:

- Regional Land Transport Plan
- Public Transport Dunedin
- Public Transport Queenstown
- Regional Total Mobility Service

The Council is responsible for completing Otago's overarching Regional Land Transport Plan and, Regional Passenger Transport Plan (RPTP).

The land Transport Plan outlines proposed transport network improvements for the next six years, and forms the basis of funding applications to the National Land Transport Fund on a three-yearly cycle. It is developed under a legislative process with the lead government agency Waka Kotahi. We collaborate with the Southland Regional Council in this process. Under these plans there are specific projects and services that the Council co-funds and facilitates.

Under the RPTP the Council has a role to deliver Public Passenger Transport in the region. We provides public bus services in Dunedin and Queenstown through contracting to private operators. We also provide the government funded region-wide 'Total Mobility Service' to assist eligible people who are unable to use public transport.

Council also services and maintains three of Otago's nine stock truck effluent disposals (STEDs) under arrangements with Local District Council's.

Group Revenue and Expenditure – Transport

2022/23 Annual Plan \$000s		2023/24 LTP \$000s	2023/24 Annual Plan \$000s
548	Transport Planning	693	485
20,667	Public Transport - Dunedin	23,589	23,182
11,261	Public Transport - Wakatipu	11,156	10,532
2,286	Total Mobility & Community Connect	2,374	1,919
34,762	Expenditure	37,811	36,118
762	General Rates	851	767
8,750	Targeted Rates	10,416	10,408
301	Fees & Charges	262	400
15,172	Grants	14,893	15,849
7,016	Other Income	10,229	7,200
2,761	Reserves	1,160	1,494
34,762	Revenue	37,811	36,118

Regional Land Transport Plan (programme)

What we do and why

Transport features strongly in our changing world, with climate change, technology and our expectations of lifestyle all in the mix. We are already seeing the opportunities of non-fossil fuelled and autonomous vehicles, along with the use of smart technology in the provision of transport services. Embracing change will require significant decisions about the transport network and how it's used and will provide positive benefits over the long run.

For ORC's part we need to be responsive to Government Policy Statement on Land Transport 2018, Government direction on climate change and urban development. Our regional transport system is an enabler of economic growth and social cohesion, connecting businesses, providing access to and between communities, and ensuring that we can import and export goods.

The LTP provides for a Regional Land Transport Programme that co-ordinates transport planning across the region. It enables a resilient, multi-modal transport system for the safe efficient and effective movement of people and goods around the region. The Otago and Southland Regional councils share this planning function through the support of a Regional Transport Committee.

A new Regional Land Transport Plan must be developed every 6 years and the plan reviewed after 3 years of operation. The plan was reviewed the period 2021-2031 and outlines proposed transport network improvements over six years. This informs the detailed funding applications from the National Land Transport Fund over the first three years. The RLTP influences decisions taken throughout the LTP cycle and potentially beyond.

Key work for year 3 and beyond

This AP provides for the review of the Otago Land Transport Plan that will in turn influence decisions taken during the next LTP cycle (i.e. 2024-2034).

Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Advocate for Otago's regional transport planning priorities and aspirations at a national level	
Performance measures	Targets
The Regional Land Transport Plan (RLTP) is reviewed and submitted in line with the Land Transport Management Act 2003 and any guidance issued by the New Zealand Transport Agency (NZTA).	RLTP review completed and adopted by Council by 30 June

Public Transport Dunedin and Queenstown (programme)

What we do and why

The LTP was agreed on the assumption that the ORC would continue to maintain responsibility for the provision of public passenger transport over the next 10 years.

Private operators are contracted by ORC to provide bus services in Dunedin, bus and water ferry services in Queenstown, and to provide the Total Mobility scheme across the region. Orbus, our public transport network, is our largest work programme.

Our LTP supports this strategic direction by outlining how we will continue to improve Otago's public passenger transport services. This includes planning, working with partners on the long-term vision for public transport across the region that includes the delivery of infrastructure that supports public transport services in Dunedin and Queenstown, and renewing contracts (with service improvements) for Dunedin and Queenstown public transport services as required.

The next 10 years will be a challenging but exciting period for our public transport system as it responds to changes from population growth and movement, to uncertain economic conditions. Technology is improving and more accessible, at the same time we have national goals to lower carbon emissions. Public transport will need to become the preferred mode of travel for more people more often to support broader societal, economic and environmental outcomes.

Importantly this LTP signals, during this 10 year planning horizon, significant decisions on public transport infrastructure, particularly in Queenstown. At this stage the Council is working with its partners to bring this vision to life for future community consideration.

This programme faces challenges including:

- Social and economic recovery from the COVID pandemic continues to impact on public transport services. While patronage is trending positively the reliability of services has been severely impacted due to bus driver shortages. We continue to carefully consider immediate and long-term solutions along with our planning assumptions.
- Private motor vehicle use - a large number of urban residents choose alternative modes of travel, largely single occupancy private car trips. This means the Otago region, particularly the areas paying the targeted transport rate, is not fully benefiting from public transport. Higher patronage provides more funding for more public transport service improvement - a virtuous cycle that reduces traffic volumes, reduces greenhouse emissions, reduces infrastructure requirements to accommodate increasing vehicle usage (eg carparking, roading), improves safety, and encourages more active lifestyles.
- Use of local roading infrastructure – there are policy and investment challenges for both central government and local authorities around the provision and operation of infrastructure that serves multiple needs (e.g. private motor vehicles, public transport, and active options such as cycling).
- Financial sustainability - delivering a service that attracts desired levels of patronage whilst remaining financially sustainable for our customers, ratepayers and our funding partners is an important issue. Expenditure on public transport needs to be at a level our communities can afford. To date the service has been operating with a funding shortfall, even with the Waka Kotahi 51% contribution. This shortfall has been supported by reserve funds and additional one-off grants. The transport reserves are in deficit reflecting this situation. Without the transport services making a positive contribution (via fares), and/or targeted rates increasing then funding options for desired changes and improvements is limited. The Dunedin Public Transport Joint Committee - consisting of Otago Regional Council and Dunedin City Council and NZTA will consider funding, including fares over this LTP cycle.

Key work for year 3 and beyond

The AP maintains the agreed LTP programme albeit with additional funding to further develop real-time transport information for the Queenstown and Dunedin services (non-rates funded). Other adjustments to the LTP include increasing driver wages, and the ferry service remaining at trial level. Scheduled improvements have been spread across multiple years with no changes to planned rates.

Level of Service Statements, Measures and Targets

The service statements (LoS), measures and targets for this activity are defined in the table(s) below.

Level of Service: Provide efficient, reliable and accessible public transport services that meet community needs.	
Performance measures	Targets
Annual public transport boardings in Queenstown per capita.	increase*
Annual public transport boardings in Dunedin per capita.	increase*
Overall passenger satisfaction with Wakatipu Public Transport system at annual survey.	97%
Overall passenger satisfaction with Dunedin public transport system at annual survey.	97%
Percentage of scheduled services delivered (reliability).	95%
Percentage of scheduled services on-time (punctuality).	95%
Percentage of users who are satisfied with the provision of timetable and services information.	maintain or increase*
Percentage of users who are satisfied with the overall service of the Total Mobility scheme.	maintain or increase*

**from 2021-22 baselines*

Forecast Financial Information

Overview

Operational expenditure (000's)

Group	Activity	22/23 AP	23/24 LTP (yr3)	23/24 AP
Regional Leadership	Governance and Engagement	7,775	7,598	8,649
	Regional Planning	2,293	2,751	3,071
	Regulatory	13,477	14,427	14,245
Sub total		23,545	24,776	25,965
Environment	Land and Water	18,937	18,552	20,293
	Biodiversity and Biosecurity	11,460	9,824	10,531
	Air	810	786	968
Sub total		31,206	29,162	31,791
Safety and Resilience	Flood Protection, Drainage and River Management	12,540	11,894	13,108
	Climate Change and Hazards	3,413	3,551	3,607
	Emergency Management	3,336	2,960	3,497
Sub total		19,289	18,405	20,212
Transport	Transport	34,762	37,811	36,118
Total Expenditure		108,801	110,154	114,087

Forecast expenditure at the activity level totals \$108.8 million compared to the \$106.2m as consulted and agreed with the community for the LTP yr2. The proposed total expenditure represents an increase of \$ 2.6 million compared to the year 2 Long-term Plan forecast. Most of this increase is comprised of external grant funded work that does not impact rates.

Sources of funding (000's)

Funding Source	22/23 AP	23/24 LTP (yr2)	23/24 AP
General rates	23,127	25,226	28,263
Targeted rates	24,101	27,672	27,515
Fees & charges; Grants	37,472	36,963	35,021
Reserves	9,174	4,365	6,910
Port Otago dividends; investment interest	14,928	15,928	16,378
Total Revenue	108,801	110,154	114,087

The table above shows the forecast sources of revenue applied to the cost of Council activity. The total rating revenue (general and targeted) is \$47.2 million. This is in line with the adopted LTP Yr2 estimated revenue. Grants from government have increased in the AP compared to that forecasted in the LTP process. Further detail about these grants is provided in the 'Environment' group activity section above.

Planning Assumptions

The significant forecasting assumptions are scheduled in the Long Term Plan 2021-31 (LTP). The significant forecasting assumptions from the LTP and any material changes in this Annual Plan are discussed below. Actual results achieved are likely to vary from these assumptions and these variations may be material.

Sources of Funds for Future Replacement of Significant Assets

Sources of funds for the future replacement of significant assets are in accordance with Council's financing policy. For scheme related assets, these are funded through scheme depreciation, reserves, targeted rates from defined scheme areas, grants where possible and where necessary, borrowings. Council assets are funded from the asset replacement reserve and where necessary, general reserves and borrowings. This assumption is assessed as having a low level of risk.

Growth Change Factors

Economic growth in Otago is dominated by tourism, primary production and education. Economic growth is not expected to impact directly on the level of work carried out by Council, given the nature of its activities.

Primary production growth is dependent on the availability of water. Council has included in this plan increased work on water management issues in this regard.

Population within certain areas of Otago is forecast to grow over the next 10 years, more significantly in the Queenstown Lakes and Central Otago districts.

Changes in population will impact on the level of certain activities carried out by Council, such as transport, demand on resource use, environmental incidents, civil defence and emergency management and natural hazards.

Council's work programmes have considered the projected growth in the region, with new initiatives and resources that reflect population growth. This assumption is assessed as having a medium level of risk.

NZ Transport Agency (Waka Kotaki) Subsidy Rates

The following rates of subsidy used are based on rates currently advised by the NZ Transport Agency:

- Transport planning and public passenger transport to receive 51% subsidy
- Total Mobility to receive 60% subsidy
- Total Mobility flat rate payments to receive 100% subsidy

The risks of these assumptions are assessed as having a low to medium level of uncertainty. The NZ Transport Agency has given no indication that the rates may change during the period. If the subsidy for total mobility was to decrease, the impact would be directly on general rates. Any changes in subsidy for public passenger transport would impact directly on targeted rates, fares and/or the scope of services.

Useful Lives of Significant Assets

The useful lives of significant assets are as recorded in asset management plans or based upon current financial standards. Depreciation has been calculated in accordance with current accounting policy. This assumption is assessed as having a low level of risk.

Revaluation of Non-Current Assets

The non-current assets that are revalued annually are Council's investment properties and its shareholding in Port Otago Limited. With respect to the Port Otago Limited investment, the actual results are dependent on factors outside the control of Council and the management of Port Otago Limited. For the purposes of this plan, an assumption has been made that the value of Council's investment in Port Otago will grow in value by around 4% every year of the plan.

Investment properties are assumed to increase in value by 1%.

The risk of these assumptions is assessed as having a high level of uncertainty. However, the revaluation of non-current assets does not directly impact rates.

Forecast Return on Investments

Forecast returns used in the Annual Plan estimates are as follows:

- Rate of return of 3-4.5% per annum on cash balances and the managed fund
- The risk of this assumption is that a lower return on cash investments will be received. This risk is deemed very low
- All Port Otago Limited dividends will be received fully imputed and accordingly no taxation liability will arise in respect of them
- The risk of this assumption is assessed as having a low to medium level of uncertainty because Port Otago Limited has a stable trading base. Shipping trends over past years have been consistent, as are predictions for future trade. Port Otago also has a significant investment property portfolio which enhances their ability to provide stable dividend payments. Investment income is used to reduce general rates, any change in return on investments directly impacts general rating requirements

Investment Properties

This Annual Plan assumes that Council will not sell any of its investment properties.

Capital Expenditure

Various projects require spending of a capital nature. The estimates are prepared using actual costs, adjusted for inflation, where known, or "Rough Order of Costs". These have been determined using methods such as current known costs.

The risk of the assumptions made on capital expenditure are assessed as having a medium level of uncertainty due to risks outside of Council control, such as the cost of construction materials, freight etc. over long timeframes.

Capital purchases in respect of flood and drainage schemes are funded by those schemes and so any variation in costs will impact on their depreciation and reserves. Variations in other capital expenditure will impact on Council's Asset Replacement Reserve.

Forecast Interest Rates on Borrowing

The LTP assumed Council would borrow externally from the LGFA at a rate of 1.5% across the 10 years of the LTP. The Annual Plan has revised this cost to 5.8% in line with actual funding rates when this borrowing was obtained. The risk of this assumption being incorrect over the Annual Plan is low as Council's investment policy sets loan term and fixed rate requirements to minimize interest rate risk.

The LTP also assumed an interest rate of 1.5% would be applied to internal borrowing. This rate remains unchanged in the Annual Plan. Internal interest is an internal transaction and does not impact Council's bottom line therefore the risk around this assumption is low.

Legislation

This LTP assumes that there will be some changes in the legislation under which Council operates that will impact on its work programmes. Council is aware of new requirements from central government. Council's work programme has taken account of the known changes coming. The risk of this assumption is low. Changes in Government policy may directly impact the responsibilities of Council.

Climate Change

The LTP assumes that climate change will have impacts on parts of Otago. The infrastructure strategy notes the climate context over 30 years. To help address this assumption, Council has incorporated some work programmes in the Flood Protection and Control works activity and in the Safety and Hazards activity to address the risk of potential additional flooding. The risk of this assumption being incorrect is low.

Natural Disasters and Adverse events

The LTP assumes there could be major natural disasters that could cause widespread and significant damage to Council's infrastructural assets, i.e. our flood and drainage schemes. What, when, where and how big are impossible to predict, but the LTP and this Annual Plan provides for us to be ready to respond. Such initiatives include Council's civil defence and emergency management work programme, the retention of Council's Emergency Response Fund and a proactive approach to managing asset resilience through renewals. This assumption has a high level of uncertainty.

Fare Revenue

Public transport fare revenue was assumed to return to pre Covid-19 levels over the first 3-4 years of the LTP. The Annual Plan assumes that while patronage has or will return to those levels as assumed, fare return will remain lower than assumed in the LTP due to lower fare incentives remaining in place longer than anticipated. This assumption has a medium level of risk.

Financial Statements

Prospective Statement of Comprehensive Revenue and Expense for the year ending 30 June 2023/24

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	REVENUE:		
	Revenue from non-exchange transactions		
47,228	Rates revenue	52,898	55,778
22,102	Grant revenue and subsidies	17,760	20,497
10,406	Other revenue	17,241	15,202
	Revenue from exchange transactions		
14,000	Dividends	15,000	15,000
750	Interest & Investment revenue	750	10,250
5,583	Other revenue	5,583	4,317
100,069	Total Revenue	109,231	121,043
	EXPENDITURE:		
	Operating Expenditure:		
32,692	Employee benefits expense	33,174	35,823
4,356	Depreciation and amortisation expense	4,442	4,211
250	Finance cost	262	9,500
66,022	Operating expenses	68,962	71,789
103,320	Total Operating Expenditure	106,841	121,323
1,064	Other gains/(losses)	1,006	1,265
(2,186)	Surplus/(Deficit) for the period	3,396	984
	OTHER COMPREHENSIVE REVENUE & EXPENSES		
24,531	Revaluation gains/(losses)	21,772	28,193
22,344	TOTAL COMPREHENSIVE REVENUE & EXPENSES	25,168	29,177

Prospective Depreciation by Activity for the year ending 30 June 2023/24

Annual Plan 2022-23 \$000s	Activity	Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
392	Environment	507	440
972	Flood Protection	1,068	971
12	Safety & Hazards	47	30
175	Regulatory	129	182
788	Transport	516	724
2,017	Corporate	2,175	1,863
4,356	Total	4,442	4,211

Prospective Statement of Financial Position as at 30 June 2023/24

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	Current Assets:		
2,049	Cash and cash equivalents	(2,759)	6,040
36,796	Other financial assets	35,744	25,426
9,304	Trade and other receivables	13,383	12,126
698	Other current assets	514	883
48,847	Total current assets	46,882	44,476
	Non-current assets:		
106,065	Property, plant and equipment	107,206	110,287
16,810	Investment property	15,831	17,131
657,795	Shares in Port Otago Ltd	608,713	753,013
3,982	Intangible assets	9,168	1,881
	Related Party Receivables		99,960
98	Deferred tax asset	98	98
784,750	Total non-current assets	741,016	982,371
833,597	Total assets	787,898	1,026,847
	Current liabilities:		
18,614	Accounts payable	13,518	18,996
2,343	Employee entitlements	2,615	2,608
20,957	Total current liabilities	16,133	21,604
	Non-current liabilities:		
25,000	Borrowings	25,000	37,200
	Other Financial Instruments		87,956
25,000	Total non-current liabilities	25,000	125,156
45,957	Total liabilities	41,133	146,760
787,640	Net assets	746,765	880,087
	Equity:		
121,520	Public equity	133,986	108,658
637,796	Available for sale reserve	588,713	733,014
754	Asset replacement reserve	931	3,288
1,938	Building reserve	49	8,574
9	Environmental enhancement reserve	(41)	29
4,611	Emergency response reserve	4,181	4,701
5	Water management reserve		705
6,258	Kuriwao endowment reserve	5,176	6,046
14,749	Asset revaluation reserve	13,770	15,070
787,640	Total equity	746,765	880,087

Prospective Statement of Changes in Net Assets/Equity as at 30 June 2023/24

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
765,296	Balance at 1 July	720,703	850,909
22,344	Net Comprehensive Income	26,062	29,177
787,640	Balance at 30 June	746,765	880,087
	Net Movements		
(3,250)	Net surplus transferred to Public Equity	2,391	(280)
7,504	Public Equity	3,533	5,650
24,531	Available for Sale Revaluation Reserve	22,643	28,193
(1,184)	Asset Replacement Reserve	(206)	1,258
68	Emergency Response Reserve	62	
(399)	Kuriwao Reserve	(419)	(420)
166	Asset Revaluation Reserve	155	170
0	Water Mgt Reserve		10
(5,091)	Building Reserve	(2,097)	(5,473)
	Environmental Enhancement Reserve	(1)	0
22,344	Net comprehensive income	26,062	29,177
787,640	Balance at 30 June	746,765	880,087

Prospective Statement of Reserves as at 30 June 2023/24

Reserves	Opening Balance 1 July 2023 \$000s	Transfers In \$000s	Transfers Out \$000s	Closing Balance 30 June 2024 \$000s
Public Equity	62,776	32,445	(23,808)	71,413
Available for Sale Revaluation Reserve	704,822	28,193		733,014
Asset Replacement Reserve	2,030	3,279	(2,021)	3,288
Emergency Response Reserve	4,631	69		4,701
Kuriwao Reserve	6,466	212	(632)	6,046
Asset Revaluation Reserve	14,900	170		15,070
Water Mgt Reserve	694	10		705
Building Reserve	14,048	127	(5,600)	8,574
Environmental Enhancement Reserve	29	300	(300)	29
River Management Dunedin	886	220	(629)	478
River Management Clutha	(221)	420	(474)	(275)
River Management Central Otago	287	363	(502)	148
River Management Wakatipu	570	246	(568)	248
River Management Wanaka	(306)	240	(447)	(513)
River Management Waitaki	837	413	(390)	859
Emergency Management	(96)	3,336	(3,485)	(245)
Alexandra Flood Protection	(45)	341	(300)	(4)
Leith Flood Protection	(13,233)	1,641	(589)	(12,181)
Lower Clutha Flood Protection & Drainage	(1,396)	1,420	(2,044)	(2,020)
Lower Taieri Flood Protection	2,041	2,048	(2,245)	1,844
West Taieri Drainage	(2,200)	962	(1,403)	(2,641)
East Taieri Drainage	172	749	(1,268)	(347)
Tokomairiro	123	171	(220)	75
Lower Waitaki Flood Protection & River Control	(30)	200	(200)	(30)
Public Transport Dunedin	(9,151)	22,792	(22,747)	(9,107)
Public Transport Wakatipu	(3,193)	9,534	(10,452)	(4,110)
Dairy Compliance	(22)	210	(268)	(80)
Lake Hayes Remediation	(900)	250	(818)	(1,468)
Biosecurity	(1,241)	5,378	(5,697)	(1,560)
Wilding Pines	(419)	200	(206)	(425)
Rural Water Quality	111	2,336	(2,561)	(114)
Infrastructure Assets	67,937	1,723	(946)	68,715
Total	850,909	119,999	(90,821)	880,087

Prospective Statement of Cashflows for the year ended 30 June 2023/24

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	Cashflow from Operating Activities		
	<i>Cash provided from:</i>		
	Receipts from non-exchange transactions		
47,228	Rate Receipts	52,898	55,778
22,102	Grant Income	17,760	20,497
	Other Receipts		19,525
	Receipts from exchange transactions		
750	Interest	750	10,250
14,000	Dividends	15,000	15,000
15,997	Other Receipts	22,831	
100,077	Total Income	109,239	121,050
	<i>Cash Applied to:</i>		
98,714	Payments to Employees & Suppliers	102,136	107,611
250	Interest	262	9,500
98,964	Total Payments	102,398	117,111
1,113	Net Cash from Operating Activities	6,840	3,938
	Cashflow From Investing Activities		
	<i>Cash provided from:</i>		
420	Property, Plant & Equipment Sales	7,430	4,000
0	Term Investment Maturity		
0	Deferred Tax Asset realised		
0	Managed Fund Withdrawal		
420	Total Cash	7,430	4,000
	<i>Cash Applied to:</i>		
0	Managed Fund		
11,258	Property, Plant & Equipment	13,044	13,166
1,850	Intangible Assets	2,019	400
13,108	Total	15,063	13,566
(12,688)	Net Cash from Investing Activities	(7,633)	(9,566)
	Cashflow From Financing Activities		
	<i>Cash provided from:</i>		
0	Borrowings		
	<i>Cash Applied to:</i>		
0	Repayment of Borrowings		

0	Net Cash from Financing Activities		
(11,575)	Net Increase/(Decrease) in Cash Held	(793)	(5,627)
13,624	Cash at 1 July	(1,967)	11,668
2,049	Cash at 30 June	(2,759)	6,040

Reconciliation of Net Surplus to Net Cash from Operating Activities

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	RECONCILIATION OF NET SURPLUS TO NET CASH		
(2,186)	Net Surplus(deficit) from Activities	3,419	984
	Add(deduct) non cash items:		
4,356	Depreciation	4,442	4,211
(1,064)	Other (gains)/losses	(1,029)	(1,265)
7	Bad Debts	7	7
1,113	Net Cash from Operating Activities	6,840	3,938

Schedule of Capital Expenditure

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	Environmental		
90	Air Monitoring	73	74
100	Public Awareness		
1,563	Water Monitoring Sites	590	580
120	Harbour Mgt	21	21
90	Biodiversity	94	95
0	Hazards	52	52
0	Compliance		
	Transport		
0	Transport		
	Flood Protection & Control Works		
20	Alexandra Flood Protection	21	20
250	Leith Flood Protection	105	100
680	Lower Clutha Flood & Drainage	336	325
950	Lower Taieri Flood Protection	157	850
1,130	West Taieri Drainage	1,234	283
180	East Taieri Drainage	178	125
20	Tokomairiro	21	20
0	Wanaka River Mgt	105	100
	Council		
5,220	Property	2,203	6100
675	Vehicles	708	750
1,950	Computers & Software	2,124	500
20	Plant	21	20
50	Sundry	52	50
13,108	Total Capital Expenditure	8,096	10,066

Summary of Accounting Policies

Overview

Reporting Entity

The Council is a regional local authority governed by the Local Government Act 2002.

The Council Group (Group) consists of the Council and its subsidiary Port Otago Limited (100% owned). The Port Otago Limited Group consists of Port Otago Limited, its subsidiaries, associates and joint ventures.

The primary objective of the Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Council has designated itself and the Group as public benefit entities for financial reporting purposes.

The prospective financial information contained in this Annual Plan relates to the Council only as the group parent. The Council has not presented group prospective financial statements because the Council believes that the parent prospective financial statements are more relevant to users. The main purpose of prospective financial statements in the Annual Plan is to provide users with information about the core services that the Council intends to provide ratepayers, the expected cost of those services and as a consequence how much the Council requires by way of rates to fund the intended levels of service. The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from those subsidiaries. Distributions from the Council's subsidiary Port Otago Limited are included in the prospective financial statements of the Council.

The Prospective Financial Statements of Council are to be adopted by Council on 23 June 2021.

Statement of Compliance

The prospective financial statements have been prepared in accordance with PBE FRS 42, Prospective Financial Statements, and in accordance with Tier 1 PBE Standards appropriate for public benefit entities, as it relates to prospective financial statements.

The actual results achieved for any given financial year are likely to vary from the information presented and may vary materially depending upon the circumstances that arise during the period. The prospective financial information is prepared in accordance with Section 93 of the Local Government Act 2002. The information may not be suitable for use in any other capacity. No actual results have been incorporated in these prospective financial statements.

Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Basis of Accounting

The prospective financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets. They are presented in New Zealand dollars, rounded to the nearest thousand.

Standards and interpretations issues but not yet adopted

Council has not yet adopted the below standards and expects to adopt them in the period they become mandatory. Council anticipates that the below standards are not expected to have a material impact on the financial statements.

PBE IPSAS 41 : Financial Instruments

PBE IPSAS 48 : Service Performance Reporting

Significant Accounting Policies

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made.

Type	Recognition and measurement
Revenue from Non Exchange Transactions	
Rates revenue	Rates revenue is recognised as income when levied. Council levies general rates for those functions that are assessed as providing benefits to all ratepayers within each of the constituent districts and city, and levies targeted rates where functions benefit a defined group of ratepayers
Grants and subsidies	Grants and subsidies are recognised upon entitlement, as conditions pertaining to expenditure have been fulfilled
Other fee income	Other fee income from non-exchange transactions is recognised when the supplies and services have been rendered.
Revenue from Exchange transactions	
Dividend income	Dividend income is recognised on the date of the dividend declaration.
Interest revenue	Interest revenue is recognised on a time proportionate basis using the effective interest method.
Revenue from port services	Revenue from port services is recognised in the accounting period in which the actual service is provided.
Revenue from the rendering of services	Revenue from the rendering of services, including relating to contracts and consent application that are in progress at balance date, is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.
Rental income from operating leases	Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.
Fees and charges	Fees and charges are recognised as income when supplies and services have been rendered. Fees received from the following activities are recognised as revenue from exchange transactions: resource consent processing, pest animal and plant contract work, grazing leases and licenses and enforcement work.

Other Gains and Losses

Gains and losses on the sale of investment property, property, plant and equipment are recognised when an unconditional contract is in place and it is probable that the Council will receive the consideration due and significant risks and rewards of ownership of assets have been transferred to the buyer.

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in the Council are recognised as revenue when control over the asset is obtained.

Trade and Other Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for doubtful debts is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is expensed in the surplus/(deficit).

Intangible Assets

Computer Software

Computer software assets are stated at cost, less accumulated amortisation and impairment. The amortisation periods range from 1 to 5 years.

(a) Impairment

At each reporting date, the Council reviews the carrying amounts of intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Council estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Property, Plant and Equipment

Property, plant and equipment consist of the following.

Operational Assets

Operational assets include Council owned land, endowment land, buildings, and plant and vehicles.

Infrastructural Assets

Infrastructural assets deliver benefits direct to the community and are mostly associated with major flood protection and land drainage schemes. Infrastructural assets include flood banks, protection works, structures, drains, bridges and culverts, and in the passenger transport, Dunedin bus hub and associated shelters.

Transport infrastructure assets and hardware deliver benefits to the transport bus network in Queenstown and Dunedin.

Restricted Assets

Endowment land is vested in the Council by the Otago Regional Council (Kuriwao Endowment Lands) Act. The Act restricts disposition of this land to freeholding initiated by lessees.

(a) Cost

Land and Buildings are recorded at cost or deemed cost less accumulated depreciation and any accumulated impairment losses.

Other property, plant and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets. Where an asset is acquired for no cost, or for a nominal cost, it is recognised at fair value at the date of acquisition. When significant, interest costs incurred during the period required to construct an item of property, plant and equipment are capitalised as part of the asset's total cost.

(b) Depreciation

Operational assets with the exception of land, are depreciated on a straight-line basis to write-off the cost of the asset to its estimated residual value over its estimated useful life.

Infrastructural assets including flood banks, protection works and drains and culverts are constructions or excavations of natural materials on the land and have substantially the same characteristics as land, in that they are considered to have unlimited useful lives and in the absence of natural events, these assets are not subject to ongoing obsolescence or deterioration of service performance, and are not subject to depreciation. Other infrastructural assets are depreciated on a straight-line basis to write off the cost of the asset to its estimated residual values over its estimated useful life.

Expenditure incurred to maintain these assets at full operating capability is charged to the surplus/(deficit) in the year incurred.

The following estimated useful lives are used in the calculation of depreciation:

Asset	Life
Operational Assets	
Buildings – Council	10-50 years
Plant and vehicles – Council	3-20 years
Infrastructural Assets	
Floodbanks	Unlimited
Protection works	Unlimited
Drains	Unlimited
Culverts	Unlimited
Structures	8-100 years
Bridges	33-100 years
Transport infrastructure and hardware	5-15 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

(c) Disposal

An item of property, plant and equipment is derecognised upon disposal or recognised as impaired when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus/(deficit) in the period the asset is derecognised.

(d) Critical Judgements and Assumptions

The Council owns a number of properties that are held for service delivery objectives as part of the Council's various flood protection schemes. The receipt of market-based rental from these properties is incidental to holding these properties. These properties are accounted for as property, plant and equipment.

Borrowings

Borrowings are recognised initially at fair value. Subsequent to initial recognition, borrowings are stated at amortised cost, with any difference between cost and redemption value being recognised in the Income Statement over the period of the borrowings, using the effective interest method. The carrying amount of borrowings reflects fair value as the borrowing finance rates approximate market rates.

The council's secured borrowings are secured by a charge over current and future rates revenue.

Reserve

Restricted and Council Created Reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the Council.

Restricted reserves are those subject to specific conditions accepted as binding by the Council and which may not be revised by the Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Available-for-Sale Revaluation Reserve

The available-for-sale revaluation reserve arises on the revaluation of the shares in subsidiary.

Asset Replacement Reserve

This reserve represents funds held for the replacement of Council operational assets.

Emergency Response Reserve

This reserve is separately funded to enable Council to respond appropriately to emergency situations.

Kuriwao Endowment Reserve – Restricted

This reserve represents the accumulation of net income from Kuriwao Endowment land less any distribution of that income. The reserve is available to fund works for the benefit of the Lower Clutha District.

Asset Revaluation Reserve

This reserve arises on the revaluation of investment property.

Water Management Reserve

The purpose of this reserve is to provide funding for water management initiatives in Otago.

Hedging Reserve

This reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to interest payments that have not yet occurred.

Building Reserve

The purpose of this reserve is to set aside funding for a new head office for the Council.

Environmental Enhancement Reserve

The purpose of this reserve is to provide funding for the maintenance or enhancement of areas of the natural environment within the Otago region.

Prudence Disclosures

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The Council is required to include this statement in its Annual Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Limit	Annual Plan 2023/2024	Met
Rates affordability			No
- Income	N/A	N/A	
- Increases	12%	18%	
Debt affordability benchmark			Yes
- Net debt/total revenue	175%	31%	
Balanced budget benchmarks	98%	100%	Yes
Essential services benchmark	100%	239%	Yes
Debt servicing benchmark	10%	1%	Yes

Rate Funding and Funding Impact Statements

Funding Impact Statement

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
	Sources of operating funding:		
23,127	General rates, UAGC & rate penalties	25,016	28,263
24,101	Targeted rates	27,882	27,515
22,102	Subsidies & grants	17,760	20,497
6,861	Fees & charges	7,451	5,951
14,750	Interest & dividends from investments	15,750	25,250
9,128	Fines, infringement fees & other receipts	15,373	13,568
100,069	Total operating funding	109,231	121,043
	Applications of operating funding:		
98,547	Payments to staff & suppliers	101,963	107,334
350	Finance costs	367	9,700
424	Other operating funding applications	547	77
99,322	Total applications of operating funding	102,877	117,111
748	Surplus(deficit) of operating funding	6,354	3,931
	Sources of capital funding:		
-	Subsidies & grants for capital expenditure		
-	Financial contributions		
-	Increase(decrease) in debt		
420	Gross proceeds from sale of assets	7,430	4,000
-	Lump sum contributions		
-	Other dedicated capital funding		
420	Total sources of capital funding		
	Application of capital funding:		
	<i>Capital expenditure:</i>		
-	- to meet demand		
2,813	- to improve level of service	1,901	875
10,295	- to replace existing assets	6,195	9,191
(11,940)	Increase(decrease) in reserves	5,688	(2,134)
-	Increase(decrease) in investments		
1,168	Total applications of capital funding	13,784	7,931
(748)	Surplus(deficit) of capital funding	(6,354)	(3,931)
-	Funding balance	-	-

Reconciliation of Funding Impact Statement to Statement of Comprehensive Revenue and Expense

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
748	Surplus(deficit) of operating funding per funding Impact statement	6,354	3,931
	Add/(deduct):		
(4,356)	Depreciation	(4,442)	(4,211)
1,064	Other gains/(losses)	1,029	1,265
358	Other	479	
(2,186)	Adjusted Surplus/(Deficit) from Funding Impact Statement	3,419	984
(2,186)	Surplus/(Deficit) from activities per Statement of Comprehensive Revenue & Expense	3,419	984

Funding Impact Statement – Calculation of Rates for the 2023/2024 Year

[See supplementary report – 24 May Council Meeting]

Effect of Rating

Annual Plan 2022-23 \$000s		Long-Term Plan 2023-24 \$000s	Annual Plan 2023-24 \$000s
23,127	General rates	25,016	28,263
-	Targeted air quality rates	210	
865	Rural water quality rate	1,767	1,752
200	Dairy inspection rate	210	210
	Targeted River Management rates:		
340	- Central Otago District	360	360
390	- Clutha District	420	420
310	- Dunedin City	346	350
388	- Wakatipu	415	415
292	- Wanaka	315	315
400	- Waitaki	400	400
171	- Lower Waitaki	179	180
	Targeted Passenger Transport services rate:		
7,013	- Dunedin	8,355	8,350
1,737	- Queenstown	2,062	2,058
	Flood Protection & Drainage rates:		
640	- East Taieri Drainage	720	640
1,461	- Leith Flood Protection	1,461	1,461
950	- Lower Clutha	1,050	1,050
1,050	- Lower Taieri	1,150	1,050
160	- Tokomairiro	170	170
820	- West Taieri Drainage	920	820
3,379	Biosecurity Rates	4,002	3,978
	Targeted Wilding Tree rates:		
24	- Central Otago District	25	24
17	- Clutha District	19	17
91	- Dunedin City	96	91
49	- Queenstown Lakes District	50	49
19	- Waitaki District	20	19
	Emergency Management rates:		
403	- Central Otago District	380	403
280	- Clutha District	265	280
1,531	- Dunedin City	1,450	1,531
812	- Queenstown Lakes District	770	812
310	- Waitaki District	295	310

Schedule of Fees and Charges

Scale of Charges

The following scale of charges is to be applied where indicated to activities included in this Schedule of Fees and Charges.

Charge	Previous To 30 June 2023	NEW From 1 July 2023
Staff time per hour:		
• Management	\$205	\$215
• Team Leader/Principal	\$185	\$195
• Senior Technical	\$165	\$175
• Technical	\$145	\$150
• Field staff	\$145	\$150
• Administration	\$110	\$115
• Specialist Expert Services. For example: Science, Hazards or Engineering time.	\$165	\$175
Disbursements	Actual	Actual
Additional Site Notice	Actual	Actual
Advertisements	Actual	Actual
Vehicle use per kilometre	\$0.70	As per IRD Published Rates
Harbourmaster vessel per hour	\$375	\$395
Travel and accommodation	Actual	Actual
Testing charges	Actual	Actual
Consultants	Actual	Actual
Commissioners	Actual	Actual
Councillor Hearing fees per hour:		
• Chairperson	\$100	\$100
• Member	\$80	\$80
• Expenses	Actual	Actual

Resource Management Act – Section 36 Charges

Set out below are details of the amounts payable for those activities to be funded by fees and charges, as authorised by Section 36(1) of the Resource Management Act 1991.

Resource Consent Application Fees

Note that the fees shown below are a deposit to be paid on lodgement of a consent application and applications for exemptions in respect of water measuring devices. The deposit will not usually cover the full cost of processing the application, and further actual and reasonable costs are incurred at the rate shown in the scale of charges. GST is included in all fees and charges. Costs for applications are typically invoiced at the end of process.

Pre-Application Work

We offer a pre-application service to help customers. The first 30 minutes of pre-application advice or review of application documents is free of charge. We will always advise before we start charging for application advice. For larger pre-application projects we may invoice before, during, and after the process is complete. Fees payable for pre-application work carried out before a consent application is lodged with Council will be incurred at the rates shown in the scale of charges.

Deposits		Previous To 30 June 2023	NEW From 1 July 2023
Publicly Notified Applications Deposits:³	First application	\$15,000	\$15,000
Non-Notified Applications and Limited Notification Applications Deposits: ³	First application	\$1,750	\$1,750
	Multiple Applications	\$2,300	\$2,300
Other Application Types			
	Variation to Conditions – s127	\$1,750	\$1,750
	Administrative Variation – s127	\$1,750	\$1,750
	Multiple Bores	\$1,500	\$1,500
	Deemed Permitted Activity	\$1,750	\$1,750
Fixed Fees			
Single Bore		\$750	\$1,365
Exemption under regulation 7A of the Water Metering Regulations		\$150	\$150
Exemption under regulations 9 or 10 of the Water Metering Regulations		\$450	\$450
Intensive Winter Grazing Consent		NEW	\$1,600
Hearings		Per Note 2 below	Per Note 2 below
	Payment for Commissioner request – s100A	Per Note 4 below	Per Note 4 below
Objections	Payment for Commissioner request – s357AB	Per Note 4 below	Per Note 4 below
Transfer of Consent Holder and Certificates Deposits:			
	Transfer of permits and consents	\$200	\$200
	Priority Table	\$200	\$200
	Certificate of Compliance	\$1,750	\$1,750
	All Other Costs	As per Scale of Charges	As per Scale of Charges

Notes:

1. For additional permits in respect of the same site, activity, applicant, time of application, and closely related effect as the first application.
2. The deposit payable shall be 90% of the cost of a hearing as calculated by Council in accordance with information contained in the application file and using the scale of charges. The amount payable will be due at least 10 working days before the commencement of the hearing. If the amount is not paid by the due date, then the Council reserves the right under S36(7) of the Resource Management Act to stop processing the application. This may include cancellation of the hearing.
 - Should a hearing be cancelled or postponed due to the non-payment of the charge, the applicant will be invoiced for any costs that arise from that cancellation or postponement
 - Following completion of the hearing process, any shortfall in the recovery of hearing costs will be invoiced, or any over recovery will be refunded to the applicant
3. Where actual and reasonable costs are less than the deposit paid, a refund will be given.
4. Where an applicant requests under s100A (for a consent hearing) or under s357AB (for the hearing of an objection) an independent commissioner(s); the applicant will be required to pay any increase in cost of having the commissioner(s).

Use of Consultants for resource consents

If ORC uses an external consultant for the processing of a consent, or to provide technical input into the application then the full actual and reasonable costs of the consultant is charged to the applicant. This may include instances where the applicant makes a request for urgency, the application involves complex and/or technical matters or a peer review is necessary. ORC will also charge the applicant for time spent managing the consultant. ORC will advise the applicant before engaging a consultant.

If ORC uses a consultant to commission a report under section 92(2) of the RMA, the full cost of the consultant is charged to the applicant.

Review of Consent Conditions

Following the granting of a consent, a subsequent review of consent conditions may be carried out at either the request of the consent holder, or as authorised under Section 128, as a requirement of Council. Costs incurred in undertaking reviews requested by the consent holder will be payable by the consent holder at the rates shown in the Scale of Charges above.

Reviews initiated by Council will not be charged to consent holders.

Compliance Monitoring

Performance Monitoring

The following charges will apply to the review of performance monitoring reports for all consent holders, except those listed in 'Fees for Specific Consent Holders' section below. The charges shown are annual fixed fees per performance monitoring report or plan and are inclusive of GST.

Resource Consent Monitoring and Annual Administration Charges	Previous	New from 1 Jul 2023
One off compliance administration fee to be charged on all new applications. Covers the cost of compliance monitoring systems.	\$150	\$150
Ongoing compliance administration fee to be charged on consents with Performance Monitoring requirements.	\$50	\$50
Late performance monitoring fee to be charged as required.	\$150	\$150
Annual Consent Compliance Monitoring Charges		
Compliance monitoring charge for each other item due during the financial year (unless covered by one of the fees below) examples include management plans, provision of photos, bore logs, notifications, record of complaints, annual reports.	\$70	\$70
Annual charge for the receipt and processing of telemetered water take data/information (including verifications returns)	\$175	\$175
Each additional telemetered water measuring device	\$50	\$50
Annual charge for the receipt and processing of manual and data logger water take data/information (including verification returns), excludes those who hold a WEX for the installation of telemetry.	\$225	\$225
Each additional non telemetered water measuring device	\$100	\$100
Annual charge for the receipt and processing of all returns relating to small/simple discharge consents.	\$75	\$75
Annual charge for the receipt and processing of all returns relating to medium/moderately complex discharge consents.	\$300	\$300
Annual charge for the receipt and processing of all returns relating to large/complex discharge consents.	\$900	\$900
Annual charge for the receipt and processing of all returns relating to simple/small earthworks consents.	NEW	\$300
Annual charge for the receipt and processing of all returns relating to standard/medium earthworks consents.	NEW	\$1,000
Annual charge for the receipt and processing of all returns relating to complex/large earthworks consents. Very large developments may be set up as major clients.	NEW	\$2,500
Inspection reports for small dams	\$145	\$145
Inspection reports for large dams	\$280	\$280
Structural integrity report	\$100	\$100
Low flow monitoring charges		
Kakanui at McCones	\$350	\$350
Unnamed Stream at Gemmels	\$1,550	\$1,550

Fees for Specific Consent Holders

Performance monitoring will be charged as 75% of actual costs where applying the fixed charges listed above do not represent a fair and reasonable charge. This includes major consent holders who hold a large number of individual consents and/or consents which contain complex monitoring requirements. It also includes consents where data or information is consistently submitted in a way which generates significant extra costs for Council.

Additional charges may be incurred for new consents granted during the year.

Resource consent monitoring

Resource consent audits

Monitoring compliance with consents and audit of resource consents will be charged at the actual and reasonable cost incurred using the Scale of Charges. This includes, but is not limited to:

- Staff time to carry out an inspection (if required), audit any monitoring information provided by consent holders, follow up any non-compliance and report back to consent holders (if required)
- Any disbursements related to the monitoring, including sampling and testing costs and any specialist or technical advice needed

Resource consent non-compliance

Where non-compliance with resource consent conditions is identified, all follow-up work and enforcement action related to the consent non-compliance will be charged at the Scale of Charges.

This includes, but is not limited to:

- Staff time to consider the non-compliance, prepare reports and correspondence, and any disbursements (eg sampling services, technical advice) related to consent non-compliance
- Costs for generating and issuing enforcement notices
- Inspections to determine compliance with an enforcement order or abatement notice to confirm that the required action has been taken and full compliance with the notice is achieved
- Reactive site visits as a result of an incident notification (eg a complaint about water pollution or odour discharge), the consent holder is only charged if the consent is breached and non-compliance is observed
- Costs for external consultants/contractors (actual charges)

Other Compliance Activities

The following activities will be charged at the actual and reasonable cost incurred, using the Scale of Charges:

- Performance and compliance monitoring of permitted activities under a National Environmental Standard, including but not limited to Freshwater, Plantation Forestry and Storing Tyres Outdoors
- Monitoring compliance of farm operators with freshwater farm plan regulations and receiving notifications and audit reports of freshwater farm plans
- Monitoring Compliance Certificates

Non-Compliance, Incidents and Complaints

Pollution incidents and non-compliance with permitted activity rules

Where non-compliance with the RMA or permitted activity rules in Regional Plans or National Environment Standards is identified, the actual and reasonable costs and expenses incurred may be charged at the Scale of Charges. This includes, but is not limited to:

Dealing with initial response to the pollution incident such as initial enquiries and site visit.

- Enforcement work including staff time for investigating, monitoring and reporting and any disbursements (eg, sampling services and technical advice) related to the non-compliance
- Costs of any actions required to avoid, remedy, or mitigate the adverse environmental effect, including the remediation and clean-up

Gravel Inspection and Management

Gravel extraction fee – \$0.66 per cubic metre (incl. GST). Where more than 10,000 cubic metres of gravel is extracted within a prior notified continuous two-month period, the actual inspection and management costs will be charged, as approved by the General Manager Corporate Services and CFO.

Resource Monitoring

Water or air monitoring work carried out for external parties – Scale of Charges.

Private Plan Changes

Work carried out on privately initiated plan changes – Scale of Charges.

Building Act 2004 – Section 243 Charges [NEW SECTION]**Dam Safety and Building Control**

The following table of charges and deposits will apply to the Dam Safety and Building Control activity.

Activity	Description	Deposit	2023/24 Fees
Issue of Certification of Acceptance (CoA)	Receive, process and grant or refuse applications for CoA	\$2,000	Scale of Charges plus MBIE/BRANZ levies where applicable*
Project Information Memorandum (PIM) for a Dam	Receive, process and issue PIM applications	-	Scale of Charges
Dam Safety	Dangerous dams, earthquake -prone dams, and flood-prone dams – inspections and enforcement	-	Scale of Charges
	Consider and approve (or refuse) dam classifications	-	Scale of Charges
	Approve or refuse dam safety assurance programmes	-	Scale of Charges
	Receive annual dam safety assurance programme compliance certificates	-	Scale of Charges
Notices to Fix (NTF)	Issue of NTF	-	Scale of Charges
	Inspection(s) of building work under NTF	-	Scale of Charges
Any other activity under the Building Act		-	Scale of Charges

*Ministry of Business, Innovation and Employment (MBIE) and Building Research Association of New Zealand (BRANZ) levies apply to COA applications where the estimated value of building work is greater than \$20,000. The Otago Regional Council is required to collect these levies from the applicant on behalf of MBIE and BRANZ. The levies quoted are as required by regulation and may change in accordance with amendments made to regulations.

Biosecurity Act – Section 135 Charges**Pest Management Strategy Implementation**

Work carried out resulting from inaction of landowners not complying with Council's Pest Management Strategy for Otago. The 'Scale of Charges' applies.

Review of Rabbit Control Programmes from non-compliant farms, and work associated with ensuring implementation of those programmes – Scale of Charges.

Local Government Act – Section 150 Charges

Transport Licensing Exempt Services

Apply to register or vary an existing registration - Scale of Charges; deposit payable of \$575.

Bylaw Application Processing.

Processing bylaw applications with the 'Scale of Charges' applying and deposit payable of \$300.

Local Government Official Information and Meetings Act – Section 13 and Resource Management Act Section 36(1)

Information Requests

Information requests that require more than half an hour to respond to, and multiple copies of Council reports. The 'Scale of Charges' applies.

Local Government (Rating) Act 2002 – Section 88 Charges

Postponement

A postponement fee to cover administration and financial costs may be charged on postponed rates – scale of charges.

8.2. Funding for Upper Clutha Wilding Group

Prepared for: Council

Report No. OPS2317

Activity: Governance Report

Author: Libby Caldwell, Manager Environmental Implementation

Endorsed by: Gavin Palmer, General Manager Operations

Date: 24 May 2023

PURPOSE

- [1] This report seeks Council approval to provide funding in the 2023/2024 financial year to the Upper Clutha Wilding Tree Group to control wilding conifers in the Upper Clutha Area.

EXECUTIVE SUMMARY

- [2] The Upper Clutha Wilding Tree Group (UCWTG) is a recently formed group that have been supported by the Environmental Implementation team to become established. The Environmental Implementation team have provided support through funding a facilitator, administration of the group and through technical advice from staff.
- [3] UCWTG have an interest in the Wilkin, Wanaka and Luggate Management Units within Otago. The Wilkin and Wanaka Management Units are not included in the National Wilding Conifer Control Programme at this point and therefore have no national funding allocated to them.
- [4] UCWTG are working collectively with a core committee and have identified and mapped wilding infestations in the area.
- [5] Figure 2 identifies the priority 1 area for control that has been identified by UCWTG. This is located within the Wanaka Management Unit between Stevenson's Arm and Lake Wanaka. This area has been identified as a priority as the trees in this area are near coning and seed dispersal will occur if control work is not undertaken.
- [6] UCWTG have requested \$30,000 (50% of total funding) from Otago Regional Council through the 2023/24 Annual Plan process to undertake the control work.
- [7] In order to maintain the momentum of the group and to maintain the gains that have been made through ORC investment funding the UCTWG is recommended.

RECOMMENDATION

That the Council:

- 1) **Decides** to approve (Option 1) **or** not approve (Option 2) to allocate \$30,000 to the Upper Clutha Wilding Tree Group to support control work as detailed in Figure 2 for the 2023/24 annual plan.

BACKGROUND

- [8] Wilding conifers pose a serious pest issue in New Zealand which, if left uncontrolled, will spread and out-compete native plants, reduce native animal habitat, reduce water yield, limit productive land use, increase wildfire risk and permanently alter landscapes.
- [9] The National Wilding Conifer Control Programme (NWCCP) was established by the Ministry for Primary Industries (MPI) in 2016 and aims to prevent the spread of wilding conifers and progressively remove these pest species from vulnerable landscapes within New Zealand. Regional councils deliver wilding conifer control on behalf of MPI.
- [10] The Upper Clutha Wilding Tree Group (UCWTG) is a recently formed group that have been supported by the Environmental Implementation team to become established. The Environmental Implementation team have provided support through funding a facilitator, administration of the group and through technical advice from staff.

DISCUSSION

- [11] UCWTG have an interest in the Wilkin, Wanaka and Luggate Management Units within Otago (Figure 1). The Wilkin and Wanaka Management Units are not included in the NWCCP at this point and therefore have no national funding allocated to them.
- [12] In line with the paper that was brought to the Environmental Implementation Committee on the 2nd of February 2023, the MPI has advised that the total annual budget for the NWCCP will become \$10 million, inclusive with an indicative operational budget of approximately \$8 million from 2023/24 onwards. This is a significant reduction in funding compared to the past three years where \$22.5 million was provided for the 2022/23 financial year. Consequently, it is unlikely that any new management units will be added to the programme.
- [13] UCWTG are working collectively with a core committee and have identified and mapped wilding infestations in the area (see Figure 2) and are working on a control strategy and operational plan.
- [14] Figure 2 identifies the priority 1 area for control that has been identified by UCWTG. This is located within the Wanaka Management Unit between Stevenson's Arm and Lake Wanaka. This area has been identified as a priority as the trees in this area are near coning and seed dispersal will occur if control work is not undertaken.
- [15] UCWTG have estimated that to undertake the control work that would be required in the priority 1 area \$60,000 is required.
- [16] UCWTG have requested \$30,000 (50% of total funding) from Otago Regional Council through the 2023/24 Annual Plan process to undertake the control work. They are also seeking \$30,000 (50% of total funding) from Queenstown Lakes District Council.
- [17] UCWTG have identified that if control in the priority 1 area is invested in now then there will be a 'significant reduction in future control costs'.
- [18] The UCWTG is a recently formed group which has had investment undertaken by ORC through the provision of a facilitator, administrative and staff support. In order to

maintain the momentum of the group and to maintain the gains that have been made through ORC investment funding the UCTWG is recommended.

- [19] The \$30,000 requested can be funded through the Biosecurity budget for the 2023/24 Annual Plan.
- [20] It was suggested in the 2023/24 Annual Plan workshop on 11 May 2023 that staff explore whether the funding request would be eligible under the ECO Fund or Incentive funding. Staff have undertaken this review and recommend that this is not eligible to be funded as they have not filled in the required forms and this application has not been assessed as part of the contestable process. The only area of undersubscription in the incentives funding is in rabbits, and this request would not be eligible because it is for wilding conifers, not rabbits.

OPTIONS

- [21] Option 1 - Approve the allocation of funding from the Biosecurity budget for \$30,000 to the Upper Clutha Wilding Tree Group to undertake control works within the priority 1 area of the Wanaka Management Unit for the 2023/24 financial year. This option is consistent with the 2023/24 Biosecurity Operational Plan which has the measure "*support regional partnerships through funding community control groups*". Option 1 would maintain the momentum of the group and build on the investment ORC has already made in helping the group become established. It does however potentially set a precedent to fund groups without formally establishing whether other similar groups are seeking funding.
- [22] Option 2 - Do not approve the allocation of funding for \$30,000 to the Upper Clutha Wilding Tree Group to undertake control works within the priority 1 area of the Wanaka Management Unit for the 2023/24 financial year. This option avoids setting precedent (see comment above). It also allows time for the regional cost benefit analysis to be prepared¹. ORC could then formally assess whether this is the best place to invest funding in wilding conifer control. The disadvantage is that the group may lose momentum, requiring ORC to support further effort to re-establish the group.

¹ *Wilding Conifer Strategy and Implementation*. Report to 11 May 2023 meeting of the Environmental Implementation Committee, Report OPS2306.

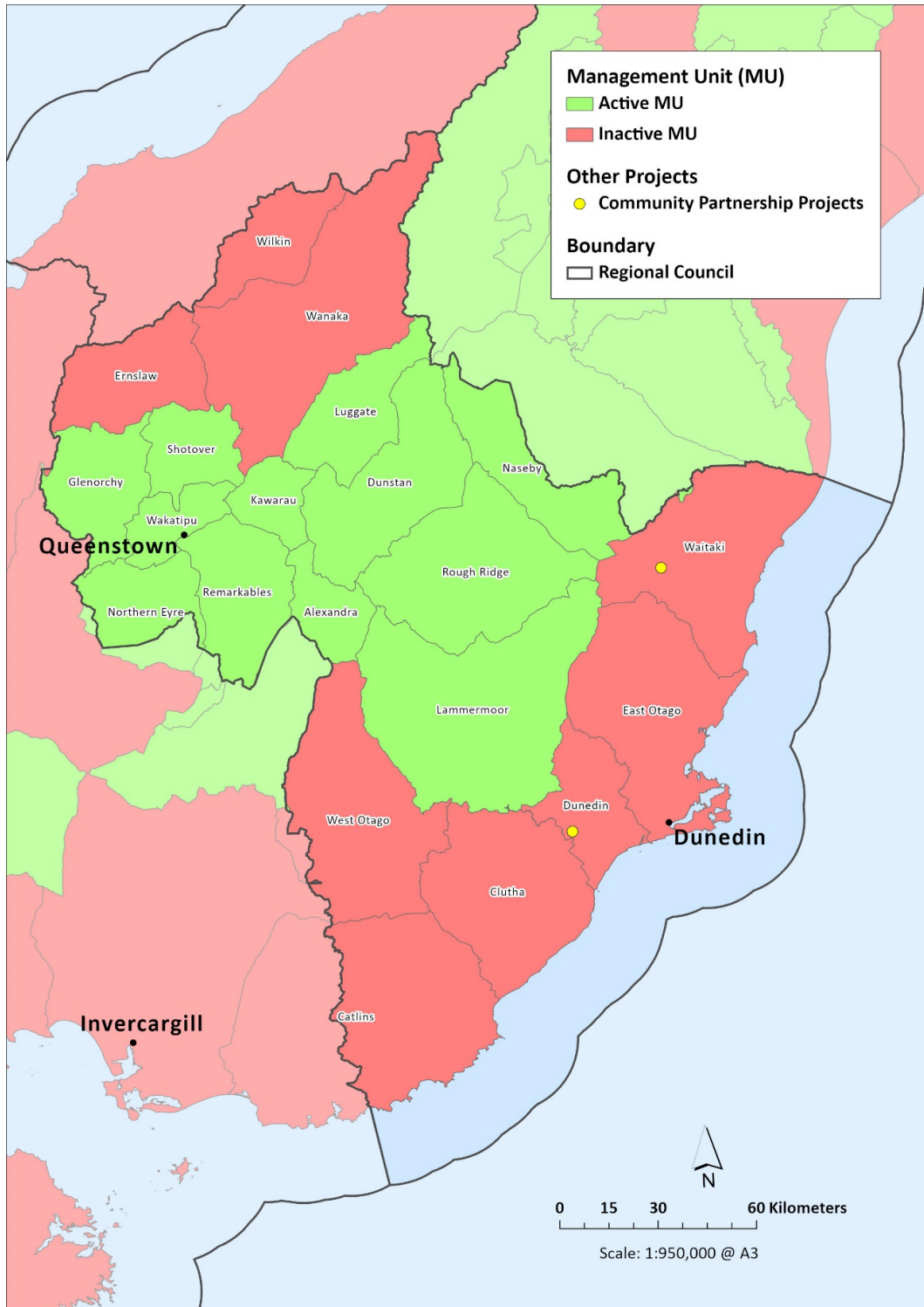


Figure 1: NWCCP – Otago Management Units and CCP

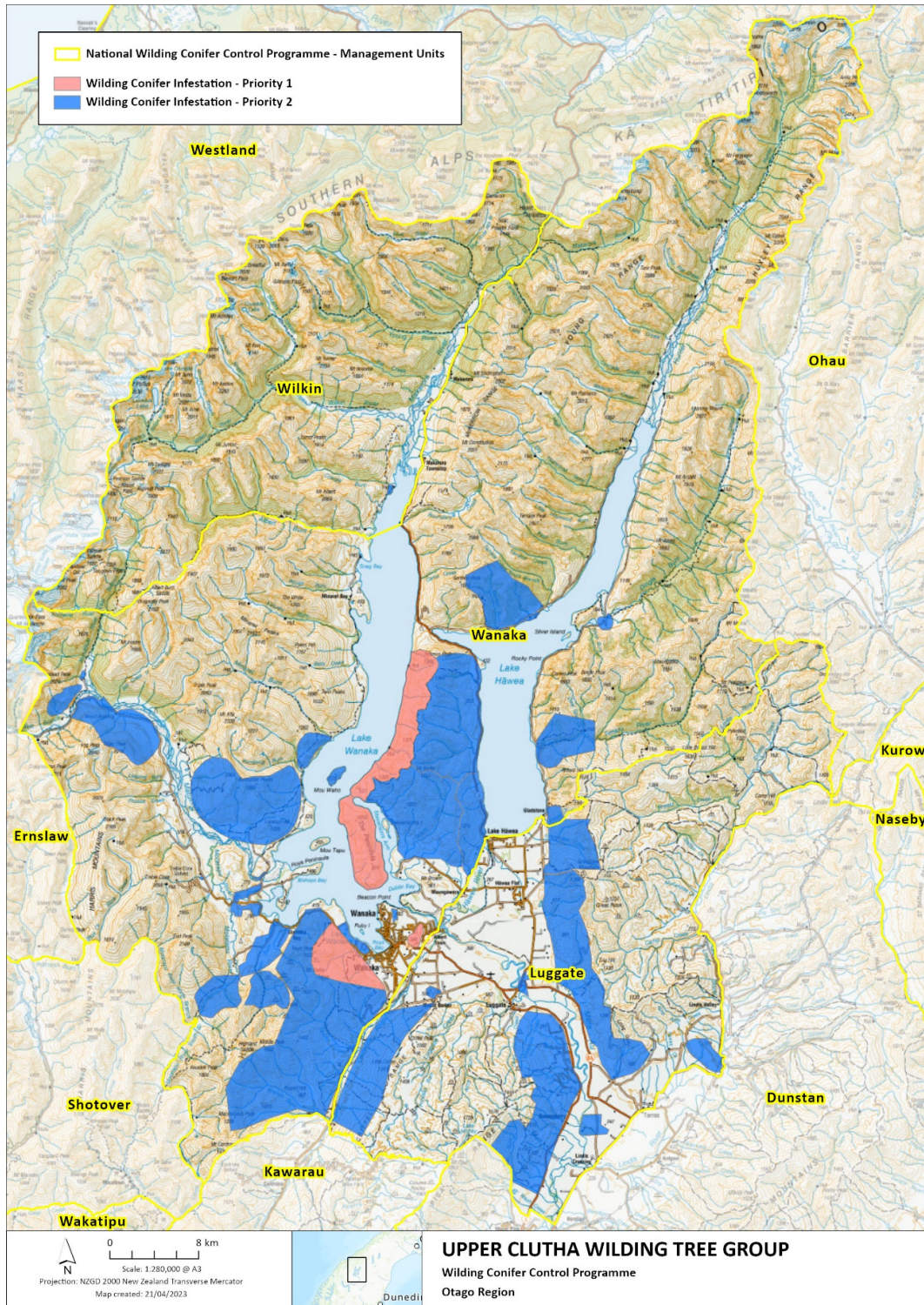


Figure 2: UCWTG wilding infestation mapping

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [23] The proposal from UCWTG aligns with the objectives in the Regional Pest Management Plan (RPMP) to progressively contain and reduce the geographic extent of wilding conifers within the Otago region.

Financial Considerations

- [24] The Biosecurity budget in the draft annual plan is \$3,977,990. If funding is provided to the UCWTG then this budget can be utilised. This would result in there being \$30,000 less to spend on community education and site-led programme delivery.

Significance and Engagement

- [25] Not applicable

Legislative and Risk Considerations

- [26] Not applicable

Climate Change Considerations

- [27] Climate change is widely regarded as one of the greatest challenges facing ecological systems in the coming century. Climate change therefore poses risks to the impact of wilding conifers in Otago through factors such as the establishment of new species, changes in the status of current populations and shifts in introduction pathways

Communications Considerations

- [28] Communications with landowners within the priority 1 area will need to occur. The UCWTG will support this communication as there will be a requirement for landowners to contribute to control work.

NEXT STEPS

- [29] Following a final decision on funding, staff will advise the UCWTG of the outcome and ORC's commitment to funding. Following this a funding agreement will be developed if Option 1 is adopted.

ATTACHMENTS

Nil

8.3. Requesting an extension for decisions on the proposed Otago Regional Policy Statement

Prepared for: Council
Report No. SPS2312
Activity: Regulatory: Policy Development
Author: Fleur Matthews, Manager Policy
Endorsed by: Anita Dawe, General Manager Policy and Science
Date: 24 May 2023

PURPOSE

- [1] The purpose of this paper is to update Council on progress with the hearing of submissions on the non-freshwater parts of the proposed Otago Regional Policy Statement 2021 (PORPS21), and to seek approval for the Chair to request an extension to the time period within which Council must give decisions on submissions from the Minister for the Environment.

EXECUTIVE SUMMARY

- [2] On 26 June 2021 Council gave public notice of the PORPS21. From the date of notification, Council has a two-year period to complete all the public participation steps and give its decision. The normal process was interrupted by High Court proceedings, which has resulted in an approximately six-month delay.
- [3] The hearing of submissions on the non-freshwater parts of the PORPS21 is now completed. In the week commencing 29 May 2023 Council will present its Reply and closing. After this, the hearing panel will deliberate, write up and present to Council its recommendations.
- [4] The Chief Freshwater Commissioner recently appointed the panel members to hear the FPI parts of the PORPS21. The freshwater panel is anticipating hearings occurring in August and September this year, with recommendations to follow.
- [5] To achieve an integrated regional policy statement, there needs to be consistency between the decisions that Council makes on the two parts – and therefore it is preferable for Council to consider these at the same time. The proposed extension to 31 March 2024 is to enable this to occur once both Panels' recommendation reports are received.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Instructs** the Chairperson to write to the Minister for the Environment seeking an extension of time for issuing decisions on the non-freshwater parts of the proposed Otago Regional Policy Statement 2021 until 31 March 2024.

BACKGROUND

The legislative requirements

- [6] The process and timelines for the preparation of regional policy statements is set out in the First Schedule to the Resource Management Act 1991 (RMA). Clause 10(4)(a) requires Council to give its decision no later than two years after notifying the PORPS21; in other words, before 21 June 2023.
- [7] Where Council is unable, or is likely to be unable, to meet the requirement of clause 10(4)(a), clause 10A provides for an application to be made to the Minister for the Environment for an extension of time.
- [8] Any application to the Minister for the Environment must set out the reasons for the request for an extension and the duration of the extension required. When considering making an application, the Council must take into account the interests of any person who, in its opinion, may be directly affected by an extension, the interests of the community in achieving adequate assessment of the effects of the proposed policy statement, and its duty under section 21 of the RMA to avoid unreasonable delay.

The current RPS process

- [9] In June 2021, ORC publicly notified its proposed regional policy statement. At that time, the Council had determined that the whole of the PORPS21 was a freshwater planning instrument and as such would be subject to the Freshwater Planning process set out in section 80A of the RMA.
- [10] In its Judgment (*Otago Regional Council v Royal Forest and Bird Protection Society of New Zealand Incorporated* [2022] NZHC 1777) dated 22 July 2022, the High Court declared that the Council's determination that the whole of the PORPS is a freshwater planning instrument was in error.
- [11] The High Court instructed the Council to review the PORPS21 and satisfy itself as to which parts of the proposed regional policy statement formed part of a freshwater planning instrument because they relate directly to the maintenance or enhancement of freshwater quality or quantity.
- [12] The Judgement directed that those parts of the PORPS21 not comprising a freshwater planning instrument were to continue through the normal Schedule 1 process. Council proceeded to appoint a hearing panel to hear and make recommendations on the non-FPI submissions, evaluation reports under s42A were updated, evidence prepared and circulated, and a hearing timetable was established.
- [13] The hearing commenced on 23 January 2023. The last act in the current hearing process is for Council to present its Reply, scheduled for the week commencing 29 May.
- [14] The effect of the High Court proceedings has been an approximately six-month delay.

DISCUSSION

- [15] When the High Court directed that the non-freshwater parts of the PORPS21 continue through the Schedule 1 process, it had the effect that Council was still required to comply

with the two-year period set out at Clause 10(4)(a) of the First Schedule to the Resource Management Act 1991 (RMA), despite the delay due to the High Court proceedings.

- [16] Also, the High Court decision required Council to split the PORPS21 into two parts – a non-freshwater planning instrument part and a freshwater planning instrument part. Each part proceeds through a different process under the RMA and requires two hearing panels conducting separate hearings and making separate recommendations to Council.
- [17] The Chief Freshwater Commissioner recently appointed the same panel members to hear the FPI parts of the PORPS21 as are currently hearing submissions on the non-FPI parts of the PORPS21. The two panels are working to ensure that the two sets of recommendations from each process are as consistent as possible, bearing in mind the natural justice issues regarding material upon which recommendations can be based.
- [18] In his letter advising Council of the panel appointments, the Chief Freshwater Commissioner encouraged Council to apply for an extension for the non-freshwater process to allow the Freshwater Panel sufficient time to conduct their hearings, and then ensure the recommendations are fully integrated.
- [19] To achieve a 'fit-for-purpose' integrated regional policy statement, there needs to be consistency between the decisions that Council makes on the two parts – and therefore it is preferable for Council to consider these at the same time. The proposed extension to 31 March 2024 is to enable this to occur.
- [20] For the reasons above, staff are recommending an extension be sought for decisions on the non-freshwater parts of the PORPS21 to be made by 31 March 2024.

OPTIONS

- [21] The first, and recommended, option is to make an application to the Minister for the Environment for a time extension.
- [22] Any application must include reasons. There are two clear reasons for seeking an extension: first, the High Court proceedings introduced a delay of approximately six months, and secondly, the decision of the High Court resulted in a separation of the PORPS21 into two parts which now need to be brought back together ahead of decisions being issued by Council. That can only occur when Council has both sets of recommendations from the two hearing panels. Importantly, there is no legislative process for bringing a planning document back together when it has been required to be split under section 80A.
- [23] Clause 10A of the First Schedule to the RMA sets out the matters Council must take into consideration when considering making an application to the Minister. These are: the interests of any person who, in Council's opinion, may be directly affected by an extension; the interests of the community in achieving adequate assessment of the effects of the proposed policy statement; and its duty under section 21 of the RMA to avoid unreasonable delay.
- [24] The PORPS21 is essentially a new planning instrument and while there are some parties who would like it operative as soon as possible, it is unlikely any party would be interested

in unnecessary haste (simply to achieve a statutory deadline) ahead of achieving a 'fit-for purpose' planning instrument. There is no-one who will be directly affected by the extension because, until both parts of the PORPS21 are re-integrated, there will remain some uncertainty as to how the instrument will actually affect them.

- [25] Having the ability to consider recommendations on both parts of the PORPS at the same time will enable a proper check on the implications of each instrument for the other. This is essential to achieving an adequate assessment of the effects of the proposed policy statement.
- [26] Section 21 of the RMA requires that "[e]very person who exercises or carries out functions, powers, or duties, or is required to do anything, under this Act for which no time limits are prescribed shall do so as promptly as is reasonable in the circumstances." In other words, unreasonable delay is to be avoided. In the circumstances of the PORPS21, the time extension is considered necessary to achieve the statutory purpose of a regional policy statement and to accommodate the directions of the High Court. The proposed extension does not constitute an unreasonable delay.
- [27] The only other option available to Council is to not make an application to the Minister for the Environment for an extension of the time within which Council is required to issue decisions on submissions to the non-FPI parts of the PORPS. That would place Council in breach of its statutory obligation, as the Hearing Panel on the non-FPI have not yet completed their deliberations.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [28] The PORPS21 sets the framework for managing Otago's natural and physical resources. It delivers on a range of the strategic directions for ORC.

Financial Considerations

- [29] Council has previously agreed to the splitting of the PORPS21 and the costs associated with that. The extension of time recommended in this paper will not add to the already noted costs.

Significance and Engagement Considerations

- [30] The extension of time sought through this paper is necessary to produce a fit-for-purpose ORPS. Because it is a procedural matter, to enable the hearing panel and Council to complete their respective statutory tasks there are no specific significance and engagement considerations.

Legislative and Risk Considerations

- [31] The RMA sets out the process and timeframes for the preparation of an RPS. The decision of the High Court required Council to split its notified instrument. Council's implementation of the Decision and its desire to produce a fit-for-purpose integrated planning instrument has resulted in delays which now mean the statutory 2-year period from notification to decision cannot be met.
- [32] There are no risks of legal challenge to either the application to the Minister for the Environment for a time extension or to the Minister's decision.

Climate Change Considerations

[33] This is not directly relevant to this decision.

Communications Considerations

[34] The decision to seek an extension of time, and the decision of the Minister for the Environment on that application will require Council communications to all affected submitters and the wider public concerning those actions.

NEXT STEPS

[35] An application is made to the Minister for the Environment, his decision is received, and that decision is communicated to both hearing panels and to affected submitters.

ATTACHMENTS

Nil

8.4. ECO Fund Recommendations and Incentives Fund

Prepared for: Council
Report No. OPS2315
Activity: Governance Report
Author: Richard Ewans, Partnership Lead - Biodiversity
Endorsed by: Gavin Palmer, General Manager Operations
Date: 24 May 2023

PURPOSE

- [1] This report seeks Council approval to fund the recommended ECO Fund applications and applications for additional Incentives Funding for the March 2023 round.

EXECUTIVE SUMMARY

- [2] The ECO Fund supports community driven projects that protect, enhance and promote Otago's environment. The Otago Regional Council provided \$328,000 to the ECO Fund for the March 2023 round. Additional contestable community Incentives Funding was provided for 2021-31 Long Term Plan priorities for: sustained rabbit management (\$150,000), native planting after plant pest removal (\$30,000), native planting for water quality (\$30,000), and biodiversity enhancement on protected private land (\$30,000). The additional incentives funding was assessed, and will be administered, using ECO Fund processes.
- [3] The March 2023 funding round including the additional Incentives Funding received 49 applications seeking a total of \$1,173,509 from the \$568,000 available. The ECO Fund Assessment Panel met on 8 May 2023 to assess the applications. Following the assessment, the Assessment Panel has recommended 32 applications to Council for funding to a total value of \$536,470 (see paragraph 15).

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Approves** the funding recommendations of the ECO Fund Assessment Panel for the March 2023 round to a total value of \$536,470.
- 3) **Notes** that the annual review of ECO Fund will be completed by December 2023 in time for the next round in March 2024.

BACKGROUND

- [4] The ECO (Environment. Community. Otago) Fund supports community driven projects that protect, enhance and/or promote Otago's environment. The Otago Regional Council (ORC) provided \$328,000 to the ECO Fund for the March 2023 round.
- [5] The ECO Fund was established in July 2018. The ECO Fund (including Incentives Funding) has funded 101 projects, from 232 applications, totalling \$1,196,391 out of \$3.7 million
-

requested over eight rounds. On average, each round has been oversubscribed by around 300%.

- [6] Additional contestable community Incentives Funding was provided for 2021-31 Long Term Plan priorities for: sustained rabbit management (\$150,000), native planting after plant pest removal (\$30,000), native planting for water quality (\$30,000), and biodiversity enhancement on protected private land (\$30,000). Council approved administration of this funding using ECO Fund processes on 22 February 2023 based on the recommendations from the Environmental Implementation Committee meeting of 2 February 2023¹. The additional incentives funding was ring-fenced for each priority.
- [7] The ECO Fund was reviewed by staff in early 2023 and recommendations were adopted by Council on 22 February 2023 based on the recommendations from the Environmental Implementation Committee meeting of 2 February 2023. Changes included minor changes to ECO Fund processes and administration (including revised Terms and Conditions) for the March 2023 round. The following supporting documents are provided as attachments to this paper: ECO Fund Terms and Conditions (Attachment 1), ECO Fund Assessment Criteria Scoring (Attachment 2), Additional criteria for Incentives Funding - sustained rabbit management (Attachment 3), Additional criteria for Incentives Funding - biodiversity enhancement on protected private land (Attachment 4).
- [8] The round was open for applications between 1 March 2023 and 31 March 2023 via online application form. A total of 49 applications were received seeking a total of \$1,173,509 from the \$568,000 available as detailed in Table 1 below.

March 2023 Funding Round			
Category	Number of applications	Funds requested	Funds available
ECO Fund	30	\$871,193	\$328,000
Incentives Funding - sustained rabbit management	6	\$152,833	\$150,000
Incentives Funding - native planting after plant pest removal	3	\$65,000	\$30,000
Incentives Funding - native planting for water quality	3	\$39,437	\$30,000
Incentives Funding - biodiversity enhancement on protected private land	7	\$45,046	\$30,000
TOTAL	49	\$1,173,509	\$568,000

Table 1 – Summary of funds requested for the March 2023 round of ECO Fund and additional Incentives Funding.

- [9] There have been 8 previous rounds of the ECO Fund, all of which have been heavily oversubscribed. The number of applications and level of oversubscription per round suggest there is significant demand for community-driven environmental projects in Otago. The summary details of the previous rounds of the ECO Fund are shown in Table 2 below.

Round	Number of	Funds	Number of	Total
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¹ ECO Fund - Funding available, criteria and assessment panel for March 2023 round, Report OPS2252, Report to 2 February 2023 meeting of Otago Regional Council Environmental Implementation Committee.

	applications	requested	Projects funded	amount funded
April 2022	53	\$1,108,239	25	\$443,125
March 2021	25	\$296,725	11	\$123,525
October 2020	35	\$534,877	10	\$124,743
March 2020	24	\$323,312	14	\$132,574
October 2019	24	\$388,264	11	\$117,426
May 2019	25	\$331,731	11	\$73,666
January 2019	24	\$386,321	9	\$73,666
September 2018	27	\$332,824	10	\$107,666
TOTAL	237	\$3,702,293	101	\$1,196,391

Table 2 – Summary of previous ECO Fund rounds.

[10] Administration of the ECO Fund is a multi-staged process. This process is detailed in Figure 1 below. This paper to Council marks Step 5 in the process.

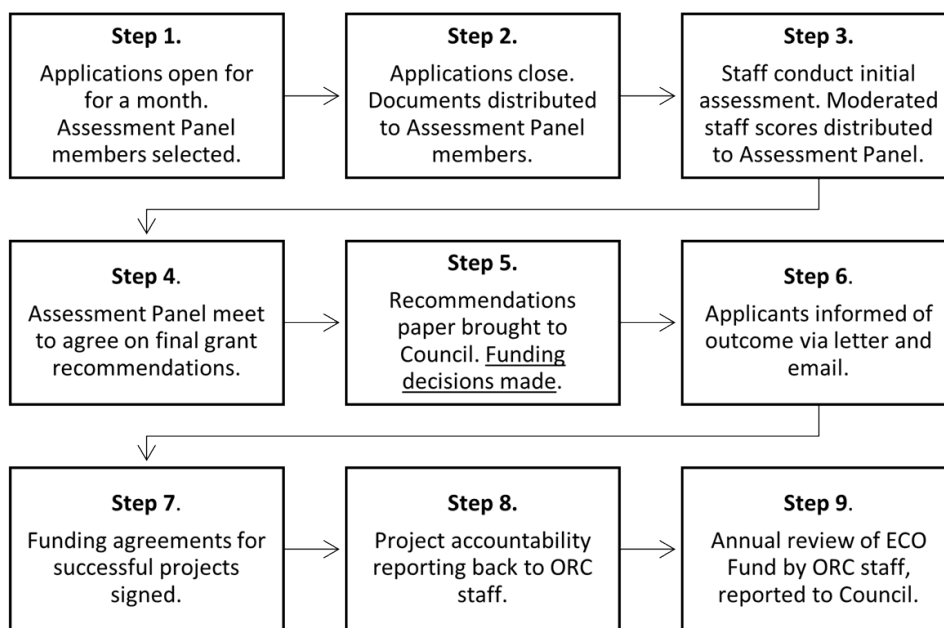


Figure 1 – ECO Fund process for administration.

DISCUSSION

[11] Applications to the ECO Fund were assessed against the criteria listed in Attachment 2 of this paper. Each application was given a score out of 30 in the assessment. Funding recommendations are generally determined by how highly an application scores relative to the other applications assessed in the funding round. Applications that did not meet the ECO Fund Terms and Conditions (Attachment 1) were not considered for funding.

[12] A three member staff panel independently reviewed and scored applications, then met on 20 April 2023 to conduct an initial assessment of applications and provide a single moderated staff score for each application to the Assessment Panel. The Assessment Panel, consisting of three Council members² and one mana whenua representative, also independently reviewed and scored applications, then met on 8 May 2023 supported by the staff member responsible for administering ECO Fund. The Assessment Panel

² Councillors Somerville, Forbes and Wilson.

moderated scoring and determined final recommendations for funding to be brought to Council for approval.

- [13] The Assessment Panel did not consider 4 of the 49 applications for assessment. This was because the applications were incomplete or did not clearly meet all Terms and Conditions of the ECO Fund (see Attachment 1).
- [14] Following the assessment process for the March 2023 round, the Assessment Panel are recommending 32 applications for funding at a total value of \$536,470: 16 applications totalling \$328,000 from ECO Fund and 16 applications totalling \$208,470 from the additional Incentives Funding. The recommended projects for funding from the Panel to Council are detailed in Tables 3-7 below.
- [15] All funding was fully allocated except for the Incentives Funding for native planting for water quality, which was undersubscribed by \$5,564, and the Incentives Funding for sustained rabbit management which was undersubscribed by \$25,967 after an ineligible application was omitted. Incentives Funding is ring-fenced, and the amount undersubscribed cannot be re-allocated to applications in different categories.
- [16] The amount recommended to be granted to some projects is less than that requested. This is due to one of four reasons:
- i. The applicant applied for more than the maximum amount available per application; and/or
 - ii. The project was ranked lowest within the cut off of funds available and hence could only be funded the remaining balance of funds available; and/or
 - iii. The panel used its discretion to part fund an existing well-resourced group; and/or
 - iv. The project had ineligible or inappropriate costs within the application.
- [17] A summary of applications declined in the March 2023 round of ECO Fund is provided in Attachment 5. A map showing the location of all applications received is provided in Attachment 6.

Organisation	Project summary	Project focus	Amount granted
Taieri Mouth Amenities Society	Purchase of 600 traps and tracking tunnels for trap library for residents to establish new trapping project	Animal pest control	\$ 37,050
Lindis Pass Conservation Group Inc.	Weed control contractor costs for removal of lupin species over 30ha in seed source area in highly visible tussock grassland reserve supporting numerous threatened and at-risk species	Plant pest control	\$ 9,300
The Moanariri Crib Owners Association Incorporated	Traps and trapping consumables for 80ha native coastal forest	Animal pest control	\$ 4,359
Lake Hayes Estate & Shotover Country Community Association	Materials to construct small native plant nursery, native plants to start project	Native revegetation	\$ 15,000
Mosgiel Rotary Club	Plants and planting consumables for riparian planting project	Native revegetation	\$ 15,500

Save The Otago Peninsula (STOP) Inc. Soc.	Wages for coordinator for native revegetation project	Native revegetation	\$ 40,000
Neighbours of Hikaroroa / Mt. Watkin Conservation Community Group (NHMW)	Contractor costs for post-OSPRI retreat deployment of self-resetting possum trap network, initial feratox knockdown, and volunteer training for landowner group with important forest remnants adjoining highly significant reserve	Animal pest control	\$ 48,900
Catlins Coasts Inc.	Possum control strategy for northern Catlins landowners post-OSPRI retreat	Animal pest control	\$ 13,068
Royal Forest and Bird Protection Society of New Zealand Inc. Central Otago-Lakes Branch	Purchase of new traps to increase efficacy of trapping network for mohua	Animal pest control	\$ 3,000
Arrowtown Choppers	Building materials costs for native plant nursery to grow plants to replant after wilding conifer control	Native revegetation	\$ 34,131
East Otago Catchment Group	Contractor costs for electric fishing for freshwater predator removal to enhance native fish populations, monitor effectiveness of fish barriers	Biosecurity and native fauna enhancement	\$ 21,000
Papatowai Forest Heritage Trust	Possum trap purchase for coastal forest remnant	Animal pest control	\$ 3,250
Orokonui Ecosanctuary Ltd	Wages for environmental education programme associated with tieke (saddleback) translocation	Native fauna	\$ 24,720
NZ Landcare Trust - Ōwhiro Stream Catchment	Contribution to water quality monitoring and cultural values assessment for local stream	Water quality	\$ 21,336
Whakatipu Wildlife Trust	Wages/salary for Executive Officer role to facilitate expansion of trap network	Animal pest control	\$ 18,692
Landscape Connections Trust	Wages/salary for project coordinator for ecosystem restoration project in important and rare coastal forest type	Native revegetation	\$ 18,692
TOTAL			\$ 328,000

Table 3 – List of recommended projects and funding allocation from ECO Fund for the March 2023 round.

Applicant	Project summary	Project focus	Amount granted
Fish and Game Otago	Native planting after crack willow removal	Native revegetation	\$ 5,000
Five Forks School	Purchase of native plants, 1 ha site next to river, after removal of pines	Native revegetation	\$ 10,000
Mana Tāhuna Charitable Trust	Planting costs and fencing materials for riparian restoration project after crack willow removal	Plant pest control and native revegetation	\$ 15,000
TOTAL			\$ 30,000

Table 4 – List of recommended projects and funding allocation from additional Incentives Funding - native planting after plant pest removal for the March 2023 round.

Applicant	Project summary	Project focus	Amount granted
Ōtokia Creek and Marsh Habitat Trust	Purchase of tree guards for 3000 native species for wetland restoration project	Native revegetation	\$ 8,589
Herbert Heritage Group	Purchase of 70 plants for riparian planting project	Native revegetation	\$ 847
Otago South River Care	Plant purchase for riparian planting project	Water quality	\$ 15,000
TOTAL			\$ 24,436

Table 5 – List of recommended projects and funding allocation from additional Incentives Funding - native planting for water quality for the March 2023 round.

Applicant	Project summary	Project focus	Amount granted
John and Moira Parker	Additional rabbit fencing to reduce reinvasion of rabbit exclusion area around QEII covenant	Animal pest control	\$ 2,962
Roselle Farm	Contractor to remove weeds (mostly hawthorn) from QEII covenant	Plant pest control	\$ 2,192
The Matai Hill Trust	Planting consumables for large revegetation project to enhance QEII covenant	Native revegetation	\$ 5,000
Auldamor Ltd	Broom control in QEII covenant	Plant pest control	\$ 5,000
Te Pukenui Trust	Contribution to fixing fencing for long-established QEII covenants to remain stock proof	Fencing	\$ 14,846
TOTAL			\$ 30,000

Table 6 – List of recommended projects and funding allocation from additional Incentives Funding - biodiversity enhancement on protected private land for the March 2023 round.

Applicant	Project summary	Project focus	Amount granted
"39-43 Lake Hayes Rabbit Project"	Contractor costs to rabbit fence 5 adjoining properties and fix access gates	Animal pest control	\$ 8,000
Kirimoko Catchment Group	Rabbit proof fence completion	Animal pest control	\$ 16,652
Otago Peninsula Biodiversity Group (OPBG)	Wages, admin costs, rabbit fencing and pindone licences for community rabbit project	Animal pest control	\$ 44,381
Black Peak Road Rabbit Control Group	Rabbit proof fence costs	Animal pest control	\$ 5,000
Moeraki MR BLKXVI Ahu Whenua Trust incorporating 16 sections and landowners	Rabbit proof fence costs	Animal pest control	\$ 50,000
TOTAL			\$ 124,033

Table 7 – List of recommended projects and funding allocation from additional Incentives Funding - sustained rabbit management for the March 2023 round.

OPTIONS

- [18] Two options have been identified to assist Council with their decision making.
- [19] **Option One** – approve the recommendations of the Assessment Panel to award funding to the 32 applications as listed in paragraph 15 (Tables 3-7), to a total value of \$536,470.
- [20] **Option Two** – reject the recommendations of the Assessment Panel and direct the Panel to reassess the applications.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [21] This paper does not trigger policy considerations.

Financial Considerations

- [22] The Council has a total of \$328,000 budgeted for the March 2023 round of the ECO Fund with a further \$240,000 budgeted for additional Incentives Funding.

Significance and Engagement Considerations

- [23] This paper does not trigger ORC's policy on Significance and Engagement.

Legislative and Risk Considerations

- [24] This paper does not trigger legislative considerations.

Climate Change Considerations

- [25] This paper does not trigger climate change considerations.

Communications Considerations

- [26] All successful and unsuccessful applicants to the March 2023 round will be communicated with to inform them of outcome and provide the option for feedback.

NEXT STEPS

- [27] Following a final Council decision on funding, staff will progress the next steps of the ECO Fund process detailed in Figure 1 (paragraph 10). The immediate next steps will be to advise applicants of the outcomes and to draw up funding agreements with successful applicants.
- [28] ORC staff will implement a review of the ECO Fund process to identify and act on opportunities for improvement. This review and subsequent improvements will be completed prior to the next ECO Fund round opening.

ATTACHMENTS

1. ECO Fund - March 2023 - Terms and Conditions [8.4.1 - 2 pages]
2. ECO Fund - March 2023 - Assessment criteria scoring [8.4.2 - 3 pages]
3. Incentives funding - March 2023 - Sustained rabbit management additional criteria [8.4.3 - 2 pages]
4. Incentives funding - March 2023 - Biodiversity enhancement of protected private land additional crit [8.4.4 - 1 page]

5. ECO Fund and Incentives Funding - March 2023 - List of applications declined [**8.4.5** - 2 pages]
6. ECO Fund - March 2023 - Map of application project locations [**8.4.6** - 1 page]

ECO Fund Terms and Conditions – March 2023

General

- Projects must meet the objectives of the ECO Fund and align with at least one ORC strategic priority to be eligible. Note that projects for Incentives Funding – Biodiversity enhancement on protected private land do not need to meet the objective for enabling community driven environmental activities.
- Except for multi-year projects, projects must be completed within 12 months of receiving funding.
- All applications for each round are assessed and ranked against the ECO Fund assessment criteria (link to criteria to be provided).
- All funding is GST exclusive. All financial information provided in an application must be exclusive of GST.
- The ECO fund supports both one-off projects and those running over multiple years for up to 3 years. For multiple year funding, funds will be released annually conditional upon appropriate project reports which demonstrate meaningful progress being submitted.
- Successful applicants must agree to Otago Regional Council promoting their project.
- Applicants must have completed accountability (final) reports for any previous ECO Fund grants received to be eligible for funding.
- If work funded is not completed within the specified time frame or funds are not spent as agreed, Otago Regional Council reserves the right to demand the return of funds.
- The ECO Fund does not provide funding for:
 - commercial or private gain
 - government organisations
 - projects created to comply with Resource Consent conditions
 - responses to any actual or potential enforcement action (excluding projects under the sustained rabbit control programme)
 - the purpose of seed capital
 - individuals
 - maintenance for existing projects
 - retrospective costs

Applications

- Applicants can only submit one application per funding round.
- Projects must have a defined start and finish date.
- Applicants must disclose any other funding they have applied for or received for their project.
- Funding is capped per project and applicant at \$50,000 for ECO Fund and Incentives Funding - Sustained rabbit management; and \$15,000 for Incentives Funding - Native planting after plant pest removal, Native planting for water quality, and Biodiversity enhancement of protected private land.
- If funding is requested for salary costs, only 50% will be funded. Applicants need to demonstrate that requested salary funding is not more than 50% of total cost, and detail where the additional funding will come from e.g., applicant 50% contribution to salary could be from other grants, existing group funds, or existing staff capacity or volunteer contributions allocated to the same project position.

Assessment

- All applications are assessed and ranked against the ECO Fund assessment criteria.
- Applicants agree to be available (if requested) for a phone call and/or site visit with ORC staff as part of the assessment process at a day and time suitable to the applicant.
- If an applicant is unsuccessful in one round of the ECO Fund, they may apply again in a subsequent funding round.
- Decisions made by Otago Regional Council are final and are made at our sole discretion.
- Applicants may not speak to their applications at the Council meetings or approach representatives on Council to speak on their behalf.

Decision and Grant

- Successful applicants must accept the grant by signing an acceptance letter and funding agreement.
- Recipients must pay all costs associated with the project. ECO Fund grants will be transferred to recipients' nominated bank accounts.
- Nominated bank accounts cannot be private accounts; it must be an account in the-name of the applicant. Grant funds will not be paid into individuals bank accounts, corporate bank accounts or another groups bank accounts on behalf.
- Successful applicants must agree to report on the project outcomes to ORC within a specified timeframe, and account for how funds were spent. Successful applicants must agree to submit progress reports, where applicable, and a final report on the project outcomes to ORC within a specified timeframe, and account for how funds were spent.
- Successful applicants agree to report on their project at a council meeting, if requested.
- Funds granted expire 6 months after Council approval. If the applicant fails to comply with the Otago Regional Council's terms and conditions within 6 months (unless otherwise agreed), the funding lapses.
- Grants are approved subject to the Otago Regional Council being satisfied that the information given by recipients is true and correct. Otago Regional Council reserves the right to refuse grant funding, and/or request return of grant funding where it determines that it has been misled, that the applicant or recipient has omitted relevant information, or if the recipient enters into receivership, liquidation or ceases to exist (e.g., removed from register).

ECO Fund - Assessment criteria scoring – March 2023

Description	Scoring & guidance	
1. Project objectives are realistic, and actions are likely to achieve the objectives	<ul style="list-style-type: none"> • Setting a clear project objective helps track the success of the project. Objectives should be realistic and able to be achieved within the timeframe of the project. • The project should also outline what actions will be undertaken to achieve the objective. There should be a clear linkage between the action and the intended outcome. • Consider overall group objectives and assess specific project actions in application in terms of contribution to that overall group objective / vision. • Projects that are implementing existing catchment group plans could be considered as higher scoring. 	<p>4 = Objectives are realistic and highly likely to be achieved within the timeframe. Obvious links between actions and objectives</p> <p>3 = Objectives are realistic and likely to be achieved within the timeframe. Some linkage between the actions and objectives</p> <p>2 = Objectives could be achievable, but project planning does not clearly demonstrate how proposed actions will lead to objectives</p> <p>1 = Objectives are limited, and actions are not linked to the project objectives and unlikely to be achieved within the timeframe</p> <p>0 = Objectives are unrealistic, irrelevant or unachievable.</p>
2. Project is technically sound	<ul style="list-style-type: none"> • The likelihood of a successful project is increased when the applicants are well informed or experts in the area. • Projects should demonstrate that the planned approach is technically feasible and reflects best management practice. • This could be through the expertise of the project applicants or through information they have sought and intend on implementing 	<p>4 = Proponent has sought appropriate advice and/ or have the relevant expertise. Best practice is clearly being proposed.</p> <p>3 = Proponent has sought some advice and/ or has some relevant experience. Best practice is mostly being proposed.</p> <p>2 = Proponent has sought some advice and/ or has some relevant experience. Best practice is not being proposed or is not clear.</p> <p>1 = Proponent has not demonstrated advice was sought or what relevant experience is being utilised. Best practice is not being proposed or is not clear.</p> <p>0 = Best practice is not being implemented and proposed techniques are questionable.</p>
3. Impact of the project - scale	<p>The impact a project can have can be assessed by:</p> <ul style="list-style-type: none"> - Scale, how effective and far reaching will the project outcomes be - Longevity, how enduring will the project outcomes be - Intervention level, is the project addressing the cause or symptom of a problem 	<p>4 = Significant environmental benefits at a district or regional scale.</p> <p>3 = Moderate environmental benefits at multi-site or local scale.</p> <p>2 = Benefits are site scale.</p> <p>1 = Benefits are likely but are indirect and/or intangible.</p> <p>0 = No clear benefits to the environment.</p>

4. Impact of the project - timeframe	<p>The impact a project can have can be assessed by:</p> <ul style="list-style-type: none"> - Scale, how effective and far reaching will the project outcomes be - Longevity, how enduring will the project outcomes be - Intervention level, is the project addressing the cause or symptom of a problem 	<p>4 = Environmental benefits for long-term. (20+ years) 3 = Environmental benefits medium-term (6-20 years). 2 = Environmental benefits short-term (<5 years). 1 = Benefits are likely but are indirect and/or intangible and timeframes are difficult to assess. 0 = No clear benefits to the environment over any timeframe.</p>
5. Special site values	<p>Projects that protect or enhance sites with special environmental values add value to the outcomes ECO Fund is seeking. Special site values could include:</p> <ul style="list-style-type: none"> - At-risk or threatened species, - Rare or much reduced-ecosystem types. - Important or distinctive habitat types. 	<p>2 = Project involves both at-risk or threatened species and important ecosystem or habitat types. 1 = Project involves either at-risk or threatened species, or important ecosystem or habitat types. 0 = Project involves common species and/or ecosystem or habitat types.</p>
6. Level of community engagement	<p>A key objective for the ECO Fund is community involvement. This criterion assesses how much community involvement is being proposed and how far reaching that involvement may be.</p>	<p>4 = Project is led by a community group and engages with other members of the community. 3 = Project is led and implemented by a community group with some community engagement. 2 = Not led by community but involves community in the implementation 1 = No community groups involved but outcomes will benefit or be utilised by the community. 0 = No community involvement or benefit.</p>
7. Value for money	<ul style="list-style-type: none"> • Considering any level of investment contributed by the applicant, that is, their level of investment is a good measure for value for money. • See Funding Details section in application. • Applicant investment can include in-kind contributions such as labour or volunteer hours (\$20 per hour minimum), monetary input from the group itself or project partners. • However, contributions from other grants are not considered applicant's investment and should not be used to leverage funding. 	<p>4 = Project is more than 1:1 cost sharing between fund requested and fund contributed 3 = Project is 1:1 (or within 5%) cost sharing 2 = Project is 1:2 applicant vs ECO Fund requested 1 = Project has some applicant contribution but not clear or costed 0 = Project relies solely on ECO Fund and/or other grants</p>

<p>8. New applicants</p>	<ul style="list-style-type: none"> • It is good to encourage new applicants to access funding. • However, previous applicants are also typically involved in good works and maintaining momentum can be good. • Some previous successful applicants may not have completed all previous commitments, e.g., reporting. 	<p>2 = New applicant or previously unsuccessful applicant to the ECO Fund (with eligible project) 1 = Previous successful applicants with all requirements completed on time 0 = Previous successful applicant with outstanding reports or other commitments</p>
<p>9. Other funding</p>	<ul style="list-style-type: none"> • ECO Fund has many repeat applicants and some with significant other funding to achieve their objectives, enabling them to commit resources to applying for additional funding. • Community groups without significant additional funding should receive a boost to their score to encourage new groups, new projects and a diversity and spread of ECO Fund projects. 	<p>2 = Community group has no other significant funding sources (total <\$100k) 1 = Community group has other significant funding sources (total \$100-\$500k) 0 = Community group has other significant funding sources (total >\$500k)</p>

Note: Maximum score = 30

ECO Fund – Rabbit management additional criteria – March 2023

This fund supports coordinated community-led rabbit management throughout Otago. It aims to provide community groups, or groups of neighbours working collaboratively, with an opportunity to lead the improvement of rabbit management in their area.

Funding is available for:

- Groups of landowners (five or more adjacent landholdings)
- Non-profit community organisations e.g., community association, charitable trust, incorporated society
- Individual properties with the following status:
 - Māori customary land
 - Māori freehold land
 - Crown land reserved for Māori
 - General land within the boundary of an original native reserve, if that land is still owned or partly owned by Māori

Funding is not available for:

- Individuals or work on individual properties (unless operating collaboratively with neighbours or as a community)
- Territorial authorities or government agencies
- Rabbit control costs

Examples of community led approaches eligible for funding

Note that priority will be given to facilitating community groups or groups of neighbours working collaboratively over fencing costs.

Working together

- Forming a community group to coordinate rabbit management in your area
- Forming a community group to collect landowner contributions for collective rabbit management
- Developing collaborative long-term rabbit management plans / community action plan
- Forming new partnerships with other groups including community, government agencies, school groups, absentee landholders, landcare groups and mana whenua groups

Building and sharing skills and knowledge

- Building community capacity for best practice rabbit management techniques, e.g., hosting community workshops, training in best practice, hosting expert guests.
- Raising awareness of your programme via media, e.g. You Tube clips, webinars
- Show casing community groups participating in best practice rabbit management

- Producing advertising material to promote your community plan
- Designing rabbit management signage for your local area

Rabbit ~~control~~ exclusion costs

- Newly created groups (within first year) implementing long-term ~~control~~ rabbit exclusion i.e., fencing across multiple properties (number of properties required will depend on local context)

Innovation

- Trialling new techniques to inform best practice rabbit management
- Trialling creative new community engagement / collaboration ideas

Monitoring

- Developing a citizen science programme to monitor rabbit numbers in your area
- Developing tools to monitor and map rabbit densities in your area
- Collecting data to assist with local area rabbit management planning

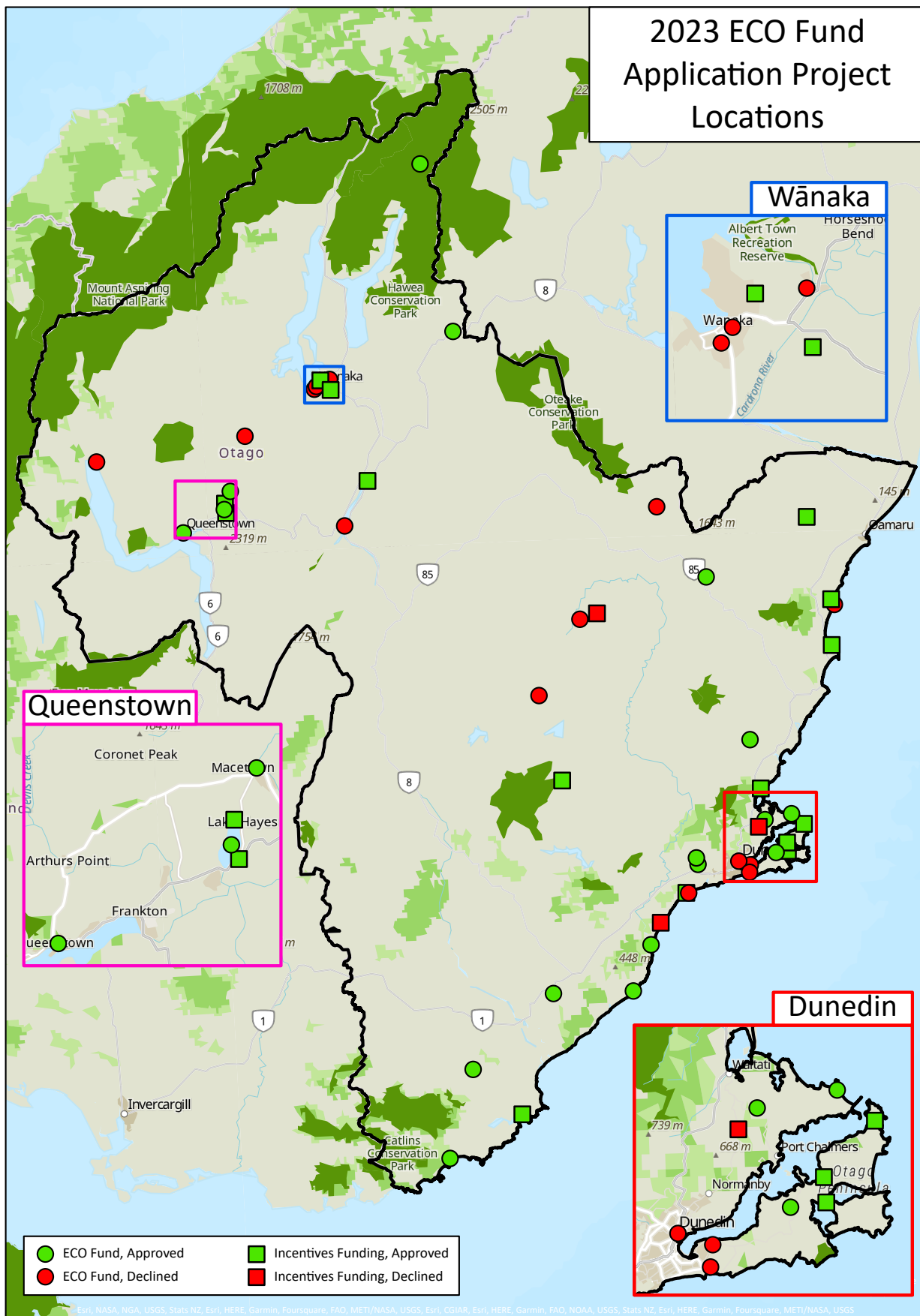
Incentives funding – Biodiversity enhancement of protected private land additional criteria

- This fund supports landowners in Otago that have been proactive in protecting indigenous biodiversity values on their land to maintain or enhance those values.
- Applications for this fund can be from individual landowners and do not need to engage or involve the community.
- For the purposes of this fund, protected private land is defined as land not in public ownership i.e., freehold and/or Māori-owned land.
- Protected private land could include covenants e.g., QEII covenants or Ngā Whenua Rāhui (NWR) kawenata; and/or and Significant Natural Areas (SNAs) or Regionally Significant Wetlands scheduled in District or Regional Plans. For clarity, it does not include Public Conservation Land, council reserves, LINZ-administered land e.g., Crown Pastoral Lease, or Pamu (Landcorp).

ECO Fund and Incentives Funding – List of applications declined

Organisation	Category	Project summary	Project focus	Amount requested	Decision
ECOTAGO Charitable Trust	ECO Fund (general)	Water quality monitoring costs and riparian planting	Water quality	\$ 44,930	Declined - rank
Glenorchy Community Association Inc.	ECO Fund (general)	Wages for native plant nursery coordinator and consumables, training costs	Native revegetation	\$ 50,000	Declined - rank
Brighton Trapping Project	ECO Fund (general)	Wages for project coordinator for trapping project in urban area and surrounds	Animal pest control	\$ 14,757	Declined - rank
Albert Town Community Association	ECO Fund (general)	Revegetation costs	Native revegetation	\$ 2,500	Declined - ineligible
Lake Dunstan Charitable Trust	ECO Fund (general)	Traps and trapping consumables, paid installation and maintenance for 25 traps along lake shore	Animal pest control	\$ 11,639	Declined - rank
WAI Wānaka	ECO Fund (general)	Wages and materials for environmental education about stormwater in Wanaka	Water quality (urban)	\$ 29,591	Declined - rank
Rotary Club of Dunedin	ECO Fund (general)	Plant and planting consumables purchase for native revegetation, contribution to track building costs	Native revegetation	\$ 50,000	Declined - rank
Penguin Rescue	ECO Fund (general)	Surveyance, fencing and native planting costs	Native revegetation	\$ 50,000	Declined - rank
Kyeburn Catchment Ltd	ECO Fund (general)	Electric fishing (wages or contractor) for freshwater predator removal to enhance native fish populations, monitor effectiveness of fish barriers	Biosecurity and native fauna enhancement	\$ 41,160	Declined - rank
Southern Lakes Sanctuary Trust	ECO Fund (general)	Purchase of 40 self-resetting possum traps and associated licence costs, monitoring expenses	Animal pest control	\$ 50,000	Declined - rank

The Whole Story	ECO Fund (general)	Removal of crack willow and native riparian revegetation	Native revegetation	\$ 50,000	Declined - ineligible
Upper Taieri Wai	ECO Fund (general)	Helicopter and labour costs for canada goose control	Biosecurity	\$ 50,000	Declined - rank
Toi Parakore	ECO Fund (general)	Purchase of equipment to create portable paint toxin filter units in an education setting	Waste minimisation / Urban water quality	\$ 6,000	Declined - rank
Wanaka Catchment Group	ECO Fund (general)	Crack willow control to support native riparian revegetation	Plant pest control	\$ 30,000	Declined - rank
Initial Volco Trust	Incentives Funding – biodiversity enhancement on protected private land	Wages/salary for pig control including QEII covenant.	Animal pest control	\$ 3,692	Declined - rank
Lord-Brown Partnership	Incentives Funding – biodiversity enhancement on protected private land	Consumables for plant pest control	Plant pest control	\$ 2,000	Declined - ineligible
Patearoa Community Group	Incentives Funding – sustained rabbit management	Rabbit control costs	Animal pest control	\$ 28,800	Declined - ineligible



8.5. Draft submission on National Direction on Renewable Energy Generation and Electricity Transmission

Prepared for: Council
Report No. POL2305
Activity: Governance Report
Author: Warren Hanley, Senior Resource Planner Liaison
Endorsed by: Anita Dawe, General Manager Policy and Science
Date: 24 May 2023

PURPOSE

- [1] To recommend Council lodge a submission on the Ministry for Business, Innovation, and Employment's (MBIE) consultation paper "*Strengthening National Direction on Renewable Electricity Generation and Electricity Transmission*".

EXECUTIVE SUMMARY

- [2] New Zealand has three existing national directions under the Resource Management Act 1991 (RMA) planning framework to direct renewable electricity generation, its transmission, and related activities.
- [3] Renewable energy is a key component of the Government's goal to meet New Zealand's emission reduction targets and renewable electricity goals.
- [4] While the Government intends for the resource management reform bills to be passed by mid-2023, it is anticipated it will be up to 10 years before the reforms are in full effect. Significant investment by the electricity industry in renewable electricity generation and transmission projects to meet the Government's goal will need to be made before then.
- [5] The Government has identified that the existing national direction for renewable electricity generation and electricity transmission is no longer fit for purpose to deliver on New Zealand's climate change response efforts and is proposing an update of the RMA planning framework to support the necessary investment and help assist New Zealand achieving its climate change response goals by 2050¹.
- [6] The Otago region has a history of providing renewable energy for New Zealand through hydro (water), and more recently wind, and has more opportunities to do so. Operationally, the proposed amendments would impact consenting, compliance, and monitoring requirements of renewable energy activities. ORC staff (staff) have provided recommendations on these matters for submission points if ORC chooses to lodge a submission.

RECOMMENDATION

¹ Under the Emissions Reduction Plan (ERP) which has set 2050 as a target in which to reduce emissions to a level required by the ERP's emissions budget framework.

That the Council:

- 1) **Notes** this report.
- 2) **Approves** the recommendation for ORC to lodge a submission on MBIE 'Strengthening national direction on renewable electricity generation and electricity transmission' consultation document by 1 June 2023, with agreed submission points recommended in this report, and any additional submission points directed by Council.
- 3) **Notes** that the submissions working group will review the submission ahead of it being lodged.

BACKGROUND

- [7] A key strategy in the Government's climate change response programme is shifting New Zealand to a low emissions economy. This shift relies on renewable electricity to give greater emphasis to the national benefits of this infrastructure to meet New Zealand's emissions reduction targets.
- [8] The three existing national directions that currently regulate renewable electricity are:
- National Policy Statement for Renewable Electricity Generation (NPS-REG)
 - National Policy Statement for Electricity Transmission (NPS-ET)
 - National Environmental Standards for Electricity Transmission Activities (NES-ETA)
- [9] The Government has assessed that these are no longer fit for purpose to enable moving New Zealand to a low emission economy, and that this planning framework needs amendments.
- [10] The proposed Resource Management Reforms, if passed mid-2023, will include a National Planning Framework (NPF) which would provide the reset of national directions that regulate renewable electricity to ensure they are fit for purpose. However, the reforms are not anticipated to be in full effect for 7 -10 years. This period will be a critical time where investment in renewable electricity generation and transmission infrastructure needs to occur to meet New Zealand's 2050 emissions reduction goals under the ERP.
- [11] Therefore, the government is proposing new National Environmental Standards on Renewable Electricity Generation (NES-REG), and consulting on these changes through the 'Strengthening national direction on renewable electricity generation and electricity transmission' document.

Scope

- [12] The focus of the proposed changes is on new wind and solar energy generation. The following are not in scope for this consultation:
- Broader forms of renewable energy such as biofuels
 - Regulatory framework for offshore renewable generation
 - Waste from decommissioning and repowering renewable electricity infrastructure

DISCUSSION

- [13] The proposed amendments are intended to enable timely investment and upgrades of New Zealand's electricity generation and transmission infrastructure and to provide better direction on how to resolve conflicts when weighing up the benefits of these upgrades against adverse effects on significant natural values and local amenity values.

- [14] The proposal aims to enable and encourage investment not only in new infrastructure, but also in the upgrade of existing solar and wind generation infrastructure where new technologies could make it more efficient and effective.
- [15] Other important goals of the amendments are to improve Māori interests as part of the consenting process for renewable electricity and transmission infrastructure, including through early engagement, and protection of sites of significance.
- [16] The proposal also sets out options to enable Māori and community groups to develop small and community-scale renewable electricity generation which can have a significant cumulative benefit in meeting emissions targets while improving community wellbeing and energy resilience.

Proposed Amendments

- [17] The proposed changes involve amending the three existing national directions and creating a new National Environmental Standards for Renewable Electricity Generation (NES-REG).
- [18] The NPS-REG would be the lead piece of legislation to enact the changes. The proposed amendments cover:
- Recognising and providing for the national significance of renewable electricity generation
 - Enabling renewable electricity generation activities in more areas, including those with significant environmental values,
 - Recognising and providing for Māori interests
 - Strengthening direction on existing wind and solar renewable electricity generation
 - Retaining existing direction in relation to re-consenting existing hydro and investigating further options under the NPF
 - Enabling small and community scale generation
 - Battery storage
 - Consent lapse periods
- [19] Amendments to the NPS-ET cover:
- Recognising and providing for the national significance of electricity transmission
 - Managing environmental effects of electricity transmission
 - Broadening the scope of the NPS-ET to apply to all high voltage electricity networks
- [20] Amendments to the NES-ETA are about improving its workability and scope.
- [21] The new NES-REG would:
- Enable upgrading and replacing of existing wind and solar generation
 - Develop new national standards for small and community scale onshore wind and solar generation projects
 - Set nationally consistent rules for new large-scale wind and solar PV generation

ORC INTEREST

- [22] ORC has responsibilities for implementing a number of national directions and has an interest in any potential conflict that may occur between them and lower order secondary legislation. Renewable energy generation and transmission is important to Otago. The proposed amendments would support Otago expanding on renewable energy opportunities, including storage. In addition, ORC has responsibilities for implementing a

number of national directions and has an interest in any potential conflict that may occur between them.

- [23] The Governance submissions working group² and staff from across Council's regulatory functions have reviewed the consultation document and provided input into this report.
- [24] The amendments to the existing three national directions do not raise any significant concerns. However, staff consider that the new NES-REG (standards and rules which implement the NPS policy framework) could consider alternative options and have drafted suggestions to improve the clarity and effectiveness of NES provisions.

RESOLUTION OF CONFLICTS BETWEEN REGULATIONS

- [25] The proposed NES-REG recognises that the National Policy Statement for Freshwater Management 2020(NPS-FM) prevails over the provisions of the NPS REG, should a conflict arise in giving effect to both. This is consistent with *Te Mana o te Wai*; that is, while ORC must give effect to the objectives of the NPS REG and provide for hydroelectricity generation when the proposed Land and Water Regional Plan (pLWRP) is prepared, it will be in a way that must first provide for the health and wellbeing of freshwater as a priority.
- [26] The NPS-REG does not apply to allocation of freshwater so this would not impact any allocation framework under the pLWRP. However, staff recognise that the effects of any hydro development (new and existing) are more than just the allocation of water, and that the NPS-REG applies to parts of the proposal but not others. The proposed changes would result in a very strong overall direction for REG activities. As ORC is drafting the pLWRP, the revised NPS-REG provides the opportunity to develop specific and clear direction around the management of the effects of hydro activities within Otago.
- [27] The use of NES, both existing and new, enables these regulations to have immediate effect (once gazetted) and avoid regulatory authorities having to make changes to existing plans to give effect to new NPS policies.

PROPOSED SUBMISSION POINTS

NES Structure

- [28] New Zealand has many potential solar generation projects that would benefit from an NES-REG. However, there is public concern that projects are being frustrated by a lack of any timely change in the planning framework. In addition, regardless of scale, solar projects all attract similar fees and a subject to a complex regulatory process.
- [29] This is a disadvantage for small scale solar projects which could be reasonably expected to have a small envelope of potential adverse effects. This should be reflected in the planning framework, encouraging projects which meet appropriate standards and effects assessments to be progressed without undue delay.
- [30] Hydro, solar and wind renewable energy technologies all have different attributes, effects and benefits. Therefore, splitting the NES-REG so that there is one NES for each energy source would enable the NES amendments to be progressed in a timelier way, focusing on the relevant effects and outcomes sought. This option means an NES for solar (expected to be less complex than that for wind or hydro) could be progressed without delay.

² Crs McCall, Wilson, Noone, and Weir

[31] It is recommended that ORC requests that:

- The NES planning framework recognise and provide for a planning framework which considers the scale of complexity relative to the proposed renewable electricity generation activity.
- The NES-REG being split into three standards:
 - i. NES-REG for Hydro Electricity Generation
 - ii. NES-REG for Solar Electricity Generation
 - iii. NES-REG for Wind Electricity Generation

[32] Outside of these structural suggestions, staff have considered the sections of the consultation document containing various options for the proposed amendments and new NES framework. Staff considered those which may affect ORC operationally and have provided the following comment which could form submission points.

Section 2: Enabling REG activities in areas with significant environment values

[33] Section 2 of the consultation document is related to the effects management hierarchy that would be applied. The proposal promotes three options:

- That a standard effects hierarchy should apply; or
- A specific effects management hierarchy for REG activities (of which 3 sub options of stringency are available); or
- Status quo (no new provisions)

[34] Operationally, staff support Option 1 for the standard effects management hierarchy. This is the same hierarchy principles as required under the NPS-FM 2020 and the exposure draft of the NPS for Indigenous Biodiversity. Option 1 promotes consistency and understanding in implementation, and that specific case law, implementation, and guidance can be applied broadly across these planning frameworks in respect to effects management hierarchy.

[35] Staff recommend ORC request ORC support Option 1 – Standard effects management hierarchy.

Section 3: Enabling REG activities in other areas

[36] Section 3 references 'extent practicable' in relation to avoiding, remedying, and mitigating adverse effects including on local amenity values. In a consent process context, economic reasoning is often given for not avoiding, remedying, or mitigating. It will be important the amendments provide guidance on, for example, what level of mitigation could be reasonably considered as practicable or not, taking into account the planning standards definition.

[37] Staff recommend a submission point that requests that this guidance is made clear in the NPS and NES amendments.

Section 6: Reconsenting existing hydroelectric activities

[38] Although it is explicit in the consultation document that the changes do not apply to existing and new hydro electrical infrastructure, this is not as clear in the draft provisions of the proposed NPS-REG amendments.

[39] Clarity here would be helpful to direct future council consenting. Any applications for new or replacement hydroelectric proposals would be expected to place significant weight on

all relevant provisions of the NPS-REG that relate to the effects of their activity (outside of freshwater allocation). This will be the case if they are not specifically excluded from being able to be considered and any reliance in referring to the wording in a consultation document (i.e., Section 6 of the consultation document) does not carry sufficient weight in the consenting process.

- [40] Staff recommend making this a submission point to ensure the policy framework of the NPS-RPG is clear and certain and is not open to unnecessary interpretation which adds both time and costs for all parties in the consent process.

Section 8: Other issues

- [41] There are opportunities in Otago for energy storage projects to maximise renewables. Staff agree that Option 1 is preferable to the status quo as it recognises it will be a critical element in supporting an increase in New Zealand's renewable energy system by providing stability in times of climate variance.
- [42] Staff recommend supporting Option 1 in section 8.

General submission points

- [43] Staff recommend that notification requirements for permitted activities are included, similar to those for fish passage in the National Environmental Standards for Freshwater. Notification triggers enable authorities to efficiently deal with any public queries, to monitor permitted activities, and provide any additional advice to those undertaking works to ensure they are aware of any other consenting requirements for related activities to the works.
- [44] Staff also recommend that, to assist with compliance enquiries, the regulations enable council enforcement officers to reasonably request details of works conducted under a permitted activity rule, or those authorised by a resource consent for controlled or restricted discretionary activity. A similar provision exists in the Intensive Winter Grazing rules of the NES for Freshwater 2020.

OPTIONS

- [45] Option 1: Council makes a submission. This is the preferred option as it will help ensure that any changes to the NPS and NES support Otago expanding on renewable energy opportunities, and that there is clear guidance on how any planning conflicts should be resolved. It also aligns with ORC's leadership role and crosses over a number of the Strategic Priorities. The submission would lodge the submission by the deadline of 1 June 2023 and utilise the submissions working group to finalise the submission and taking into consideration any feedback received at this meeting.
- [46] Option 2: Council does not make a submission. This option would mean ORC's views and comments are not considered by Government when responding to the consultation and revising the NPS and NES documents, resulting in Otago-specific concerns and opportunities not being addressed.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [47] This submission is consistent with ORC's strategic direction on climate change. Improving renewable electricity generation will help enable climate change mitigation in the region and help meet New Zealand's emissions targets.

Financial Considerations

- [48] Making submissions on national consultations is a funded activity.

Significance and Engagement Considerations

- [49] The consideration of this consultation, and any subsequent submission is consistent with ORC's Significance, Engagement and Māori Participation Policy.

Legislative and Risk Considerations

- [50] There are no legislative or risk considerations of significance in making a submission on this consultation.

Climate Change Considerations

- [51] Renewable energy is an important strategy for New Zealand in contributing to reducing emissions from solid fuel use. Otago's emissions include 12% from stationary energy and 16% from transportation. Improving the supply for renewable electricity generation is key to decarbonising the energy sector directly and also enabling the shift from fossil-fuel powered vehicles to electric vehicles. Changes to planning that supports the generation and delivery infrastructure, small and large, will in turn support Otago's communities in the uptake of opportunities to invest in more renewable energy use and contribute to reducing emissions.
- [52] As examples of potential contributions to reduce emissions in Otago, improvements in the delivery infrastructure of electricity may encourage and enable more people to consider the uptake of alternatives to solid fuel heating, particularly in areas where Otago's winters can reach very low temperatures. More supply and delivery infrastructure may also support the growth and use of electric vehicles throughout Otago.

Communications Considerations

- [53] Any submission made by ORC would be publicly available via the Ministry.

NEXT STEPS

- [54] If supported by Council, staff will finalise a draft submission based on the recommendation of this report, and any changes or additions required by Council, and lodge the submission by 1 June 2023. Staff will report back to Council on any developments of this consultation once a decision is made by MBIE.

ATTACHMENTS

1. National direction on REG and T summary [8.5.1 - 8 pages]
2. National direction on renewable electricity generation and electricity transmission consultation [8.5.2 - 132 pages]
3. Proposed national policy statement for electricity transmission [8.5.3 - 11 pages]
4. Proposed national policy statement for renewable electricity generation #2 [8.5.4 - 12 pages]



Strengthening National Direction on Renewable Electricity Generation and Electricity Transmission

A SUMMARY OF PROPOSED CHANGES
APRIL 2023

ONLINE: ISBN 978-1-99-106977-1

Renewable electricity generation is critical to our future wellbeing and prosperity.

Climate change is the most significant environmental challenge of our time. If we are to meet our emission reduction targets, this will require a rapid expansion of renewable electricity generation and transmission infrastructure, which is vital for Aotearoa New Zealand's shift to a low-emissions economy.

New Zealand is fortunate to have access to significant renewable energy sources, but our current planning settings are not fit for purpose to meet the challenge faced.

The Ministry of Business, Innovation and Employment (MBIE) and the Ministry for the Environment (MfE) are proposing changes to strengthen national direction on renewable electricity generation (REG) and electricity transmission (ET) as the most effective way to improve consenting under the Resource Management Act 1991 (RMA). This is an important transitional measure prior to the new Resource Management system taking full effect in the next 7-10 years.

What national direction is in scope?

These proposals relate to a package of national direction instruments under the RMA: This covers the existing:

- National Policy Statement on Renewable Electricity Generation (or 'NPS-REG')
- National Policy Statement on Electricity Transmission (the 'NPS-ET').
- National Environmental Standards for Electricity Transmission Activities (NES-ETA).

And new:

- National Environmental Standards for Renewable Electricity Generation (NES-REG).

In this summary we first explain why the changes are needed and then we summarise the proposed changes themselves.

Why are changes to the existing national direction needed?

Rapid and efficient investment in renewable electricity and the national grid is needed for New Zealand to reach its emissions reduction targets and

renewable electricity goals. Current national direction for renewable electricity generation and electricity transmission was developed before emissions reduction targets were incorporated into New Zealand law and are no longer fit for purpose to support the pace and scale of development that is required.

The proposed changes would help ensure current planning settings enable New Zealand to significantly expand its renewable electricity generation and transmission capacity.

Why are changes proposed under the RMA and not through the proposed resource management reform?

While the Government intends for the resource management reform bills to be passed by mid-2023, significant investment in renewable electricity generation and electricity transmission projects needs to occur under the current RMA framework for around 7-10 years before the new resource management (RM) system becomes fully operative.

The proposals would amend national direction instruments under the RMA to recognise the need for strengthened national direction to influence consenting decisions on renewable electricity infrastructure during this transition period. The policy intent of the proposals will also be translated into the National Planning Framework (NPF) which will provide national direction for the new RM system.

What are the proposed changes?

The main objectives of the proposals are to:

1. Provide more enabling policy direction for renewable electricity generation and electricity transmission projects to significantly increase generation output to support New Zealand's emissions reduction targets and renewable electricity goals.
2. Better manage competing interests with other Part 2 RMA matters through nationally consistent consenting pathways.
3. Provide for Māori interests and incorporating the principles of te Tiriti o Waitangi.

The proposals to achieve these objectives are set out below, and include changes to existing national direction, and a new national environmental standard for renewable electricity generation. Other policy options which have been considered for achieving the objectives are outlined in the consultation document.

National policy statement proposals

The proposals focus on strengthening, as a priority, the current national policy statements (NPS-REG and NPS-ET), to provide a consenting process that is more efficient, certain and environmentally sustainable.

The proposals would not require local authorities to initiate plan changes ahead of resource management reform but are instead intended to influence consenting decisions during the transitional period. Feedback is also being sought on whether some provisions should be directly inserted into plans.

Some of the new provisions are expected to improve the consenting environment for renewables, while broader changes will be progressed through the National Planning Framework as part of the resource management reforms.

Amendments to the NPS-REG

- **Recognising and providing for the national significance of renewable electricity generation**, by providing stronger and more directive policy on the important role renewable electricity generation activities in meeting emissions reduction targets and helping to address climate change, making sure planning decisions give greater weight to the national significance and benefits of these activities and clarifying the meaning of 'operational need' and 'functional need' in relation to the location of these activities. This is covered in Section 1 of the consultation document.
- **Enabling renewable electricity generation activities in areas with significant environment values**, by providing three options for addressing current issues. The preferred option is for new consenting pathways ("gateway tests" and effects

management approaches) to enable renewable electricity generation activities in areas with significant environment values when their benefits outweigh residual remaining adverse effects.

The preferred option will provide a single consenting pathway that acts as a 'one stop shop' for the consideration of projects where they are proposed to be located in areas with significant environment values. This is covered in Section 2 of the consultation document.

- **Enabling renewable electricity generation activities in other areas**, including providing new direction on enabling these activities where there are potential adverse effects on local amenity values, so long as effects are avoided, remedied or mitigated to the extent practicable. The proposal also requires consideration that effects on local amenity can be positive, have wider benefits, are not in and of themselves an adverse effect and must be considered in light of the national standards for wind farm noise (NZS 6808:2010). This is covered in Section 3 of the consultation document.
- **Recognising and providing for Māori interests**, by introducing new policy direction on early, meaningful engagement, protection of sites of significance, and enabling small and community-scale renewable electricity generation activities to support tangata whenua aspirations. This is covered in Section 4 of the consultation document.
- **Strengthening direction on existing wind and solar renewable electricity generation**, by providing more direction on recognising the importance of maintaining existing generation output, the efficiencies of upgrading existing renewable electricity generation activities (including through repowering¹), and the environmental benefits of increasing the capacity and output of existing activities. This is covered in Section 5 of the consultation document.

¹ Repowering is a specific type of upgrade that involves comprehensively replacing generation components.

- **Retain existing direction in relation to consenting existing hydro and investigating further options under the National Planning Framework.** Given the National Policy Statement on Freshwater Management 2020, and forthcoming work on a new resource management regime on freshwater allocation, no changes are proposed to the existing direction relevant to consenting hydro. Any necessary changes to this direction will be considered through the development of the National Planning Framework as part of resource management system reform. This is covered in Section 6 of the consultation document.
- **Enabling small and community scale and generation,** by strengthening existing direction to be more enabling of these activities, to recognise and provide for the significant cumulative contribution of these activities in meeting emissions reduction targets, and recognising and providing for the local benefits of these activities.
A new definition of small and community scale renewable electricity generation activities is proposed. There are options to define this based on the activities primary purpose or based on the activity's generation capacity. This is covered in Section 7 of the consultation document.
- **Battery storage:** There is an option to broaden the scope of the NPS-REG to apply to grid/distribution connected battery storage and better recognise the national significance of these activities. This is covered in Section 8 of the consultation document.
- **Consent lapse periods:** No options are proposed, however we are seeking feedback on applying pro-competitive considerations when decision makers determine an appropriate lapse date for consents for renewable generation (effective "use it or lose it" conditions). This is covered in Section 8 of the consultation document.

Amendments to the NPS-ET

- **Recognising and providing for the national significance of electricity transmission,** by providing stronger and more directive policy on the national significance of the electricity transmission network. This would include more

specific recognition of technical, operational and functional needs, better reflecting the activities and infrastructure that form part of the operation of these activities (including access tracks associated with routine maintenance), greater recognition of national, regional and local benefits and requiring decision makers to recognise linkages with the NPS-REG and the role of the network to support a timely and significant increase in renewable electricity generation capacity.

This is covered in Section 9 of the consultation document.

- **Managing environmental effects of electricity transmission,** by enabling minor activities without restriction provided adverse effects are avoided or mitigated where practicable, and to enable these to occur in a timely and efficient way. A new definition of minor electricity transmission network activities would be included in the NPS-ET. This is covered in Section 10 of the consultation document.

Options are also provided for providing clearer consenting pathways for development of the electricity transmission network and 'more than minor upgrades' in different environments. The preferred option is to enable these to be located in areas with 'significant environmental values' if the benefits of the activity outweigh its adverse effects, provided there are no significant residual adverse effects.

- **Broadening the scope of the NPS-ET to apply to all high voltage electricity networks.** We are seeking feedback on include broadening the scope of the NPS-ET to cover high voltage electricity networks not owned or operated by Transpower. This is covered in Section 12 of the consultation document.

National environmental standard proposals

Nationally consistent standards for infrastructure are also being developed for the National Planning Framework. Developing standards is complex and it requires a different, and more lengthy regulatory process.

As a result, the Government will determine how to sequence and progress proposals for new or amended NESs in the most effective and efficient way; whether this is through the current Resource Management Act, the new National Planning Framework, or both.

Subject to this, a further round of consultation will be undertaken on the draft NESs, giving stakeholders another chance to provide a view on the detailed provisions and their technical aspects.

Amendments to the NES-ETA

Improving the workability and scope of the NES-ETA, through updated definitions, rules and conditions. This could be achieved through enabling activities with mainly visual effects, aligning the regulations with updated standards and definitions, and proposing other minor alterations to definitions to improve workability of the regulations.

Developing a new NES-REG

- The consultation document proposes a new National Environmental Standard for Renewable Electricity Generation, while still enabling councils to set more permissive rules and standards for these activities.
- **Enabling the upgrade and repowering of existing wind and solar generation**, by developing national standards for upgrading and repowering existing onshore wind and solar. This would specifically provide for minor, intermediate and major upgrades and repowering activities. Subject to standards, minor upgrades would be permitted activities, intermediate upgrades would be controlled activities and major upgrades and repowering would be restricted

discretionary. This is covered in Section 5 of the consultation document.

- **Developing new national standards for small and community scale onshore wind and solar PV generation projects**, to improve national consistency in the management of these activities. The proposals include permitted activity standards for roof-mounted and free-standing wind turbines and solar photo-voltaic (PV) panels, with a controlled or restricted discretionary activity status where the standards are not met. It would also provide, subject to standards, a controlled activity status for community scale renewable electricity generation activities, with a restricted discretionary activity status where the controlled standards are not met. Some general standards are proposed to apply to all of these activities. This is covered in Section 7 of the consultation document.
- **Nationally consistent rules for new large-scale wind and solar PV generation**. There is also an option for the NES to include a nationally consistent activity status (e.g. restricted discretionary) to address current inconsistencies at a regional level. This is covered in Section 8 of the consultation document.

Out of scope

Issues that are outside of the scope of the consultation are:

- Renewable energy more broadly (e.g. biofuels)
- The regulatory framework for offshore renewable generation.
- Waste from decommissioning and repowering renewable electricity infrastructure

When would the proposed changes take effect?

Proposal Timeframes

We believe changes to the two existing **national policy statements** should be progressed as a priority, so that they would come into force (through being published in the Gazette) in 2023.

Proposals for changes to existing or **new national environmental standards** would be progressed later in 2023 to be brought into effect as regulations after 2023.

Certain aspects of the standards will be progressed as infrastructure content of the National Planning Framework, which is the replacement national direction in the new resource management system.

Table 1: Policy development for proposed amendments

	NPS-REG	NPS-ET	NES-REG	NES-ETA
2023	Report on submissions and policy recommendations (section 46A report)	Report on submissions and policy recommendations (section 46A report)	Consideration of issues and options under the RMA and the National Planning Framework	Consideration of issues and options under the RMA and the National Planning Framework
	Further drafting of NPS	Further drafting of NPS		
	Exposure draft consultation (TBC, if substantive changes to drafting from earlier consultation)	Exposure draft consultation (TBC, if substantive changes to drafting from earlier consultation)		
	Final government approval of final NPS	Final government approval of final NPS	Summary of submissions and policy recommendations (section 46A report)	Summary of submissions and policy recommendations (section 46A report)
	Gazettal (NPS takes effect 28 days after gazettal)	Gazettal (NPS takes effect 28 days after gazettal)		
2024			Cabinet approval of policy and drafting instructions	Cabinet approval of policy and drafting instructions
			Exposure draft consultation	Exposure draft consultation
			Cabinet approval of final NES	Cabinet approval of final NES
			Gazettal / standards come into force	Gazettal / standards come into force

How to have your say

The Government welcomes your feedback on this consultation document. The questions in this document are a guide only. You do not have to answer all the questions, and all comments are welcome.

To ensure others clearly understand your point of view, you should explain the reasons for your views and give supporting evidence if needed.

You can make a submission in two ways:

1. Use our online submission tool, available at <https://www.research.net/r/ElectricityRMAConsultation>. This is our preferred way to receive submissions.
2. Write your own submission.

When writing your own submission, please state “I have read and acknowledge the Privacy Statement.” (below)

Please post it to: Electricity RMA Project Team, MBIE Energy & Resource Markets, 25 The Terrace, Wellington 6011.

Include:

- the title of the consultation
- your name or organisation
- your postal address
- your email address.

Submissions close at 5 pm, 1 June 2023.

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We collect your personal information including full name, email address and place of employment (optional) in order to contact you if needed and understand the nature of your specific feedback. Personal information also relates to the opinions given in the survey, especially in free-text boxes. Providing some information is optional, you do not need to identify your place of work, however if you do not provide this information, we may not be able to understand your specialisation, if any, for the feedback given. We advise caution on the use of free-text boxes, please do not provide more personal information than is required for the purposes of this survey.

Besides MBIE staff, we may share this information with the Ministry for Environment, in line with the Privacy Act 2020 or as otherwise required or permitted by law. We keep your information safe by storing your responses in our secure, cloud-managed document management system. If this information is shared or published, we may need to edit comments to remove personal information. This information will be held by MBIE.

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Strengthening national direction on renewable electricity generation and electricity transmission

APRIL 2023

CONSULTATION DOCUMENT



MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI



Ministry for the
Environment
Manatū Mō Te Taiao



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI



Ministry for the
Environment
Manatū Mō Te Taiao

Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders.

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Message from the Ministers

Climate change is the most significant environmental challenge of our time and is intrinsically linked to our communities present and future wellbeing. Global temperatures are forecasted to rise more than 1.5°C above pre-industrial levels, increasing the risk of extreme weather events and irreversible consequences which come with them. If we are to stop this crisis, Aotearoa New Zealand needs to transition to a low emissions economy.

This transition presents countless opportunities for New Zealanders. Our communities would benefit from a growing economy by driving innovation in clean energy, creating new jobs, reducing our reliance on international fuel markets, and ultimately building a fairer, more resilient, and more sustainable tomorrow.

Investment in renewable energy such as geothermal, wind and solar, and a growing use of new technologies like bioenergy, offshore wind, hydrogen and pumped hydro, will ensure that our energy needs will progressively be met. The proposals in this consultation document aim to better enable investment in some of these technologies to help us realise the full potential of renewables in Aotearoa.

Meeting our emissions targets will require a major and efficient expansion of renewable electricity resources and infrastructure. New Zealand is very lucky to have access to significant renewable energy sources, and we are well positioned to transition to 100 per cent renewable energy generation, but we need to ensure we are removing any barriers standing in the way.

As part of our 2020 manifesto commitment, this Government identified that existing national direction for renewable electricity generation and electricity transmission are no longer fit for purpose. To achieve the pace of development required, national direction needs to be readdressed to provide greater clarity to the sector.

These proposals promote the sustainable management of natural and physical resources by helping to mitigate climate change and the known adverse impacts this is having on our communities. The proposals aim to provide clear direction that meeting our international emissions reduction commitments and limiting global temperature rises will require a significant expansion of renewable electricity generation.

The discussion document presents options for how the Government can provide greater direction to councils and the nuances of how to navigate the interactions between section 6 and 7 of the Resource Management Act (1991). Presently, there is a lack of clarity with how matters of national significance interact.

We look forward to receiving feedback from Māori, local government, the renewable electricity sector, and other New Zealanders to ensure the proposed changes will work to support greater development of renewable generation.

Hon Dr Megan Woods
Minister of Energy and Resources

Hon David Parker
Minister for the Environment

How to have your say

Timeframes

This consultation starts on 20 April and ends on 1 June 2023.

How to make a submission

The Government welcomes your feedback on this consultation document. The questions in this document are a guide only. You do not have to answer all the questions, and all comments are welcome.

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information is shared or published, we may need to edit comments to remove personal information. This information will be held by MBIE.

You have a right to ask for a copy of any personal information we hold about you as a result of this survey, and to ask for it to be corrected if you think it is wrong. If you'd like to ask for a copy of your information, or to have it corrected, please contact us at ElectricityRMA@mbie.govt.nz

Summary

This document seeks your feedback on changes we are proposing to a package of national direction tools to enable New Zealand to meet government targets for increasing renewable electricity generation and reducing greenhouse gas emissions from use of non-renewable sources, like coal and gas. This is an important transitional measure until the new resource management system comes into force in the next 7 – 10 years.

The proposed changes would help ensure current planning settings enable New Zealand to significantly expand its renewable electricity generation capacity, which is vital for electrifying our industries and shifting to a low-emissions economy.

These proposals relate to a package of national direction instruments under the Resource Management Act 1991 (RMA). This covers the existing:

- National Policy Statement on Renewable Electricity Generation (or 'NPS-REG')
- National Policy Statement on Electricity Transmission (the 'NPS-ET').
- National Environmental Standards for Electricity Transmission Activities (NES-ETA).

And new:

- National Environmental Standards for Renewable Electricity Generation (NES-REG).

In this summary we first explain why the changes are needed and then we summarise the proposed changes themselves.

Why the changes are needed

Renewable electricity is vital for New Zealand's shift to a low-emissions economy

Rapid and efficient investment in renewable electricity and the national grid is needed for New Zealand to reach its emissions reduction targets and renewable electricity goals. Current national direction for renewable electricity generation and electricity transmission was developed before emissions reduction targets were incorporated into New Zealand law, and are no longer fit for purpose to support the pace of development that is required.

While the Government intends for the resource management reform bills to be passed by mid-2023, significant investment in REG and ET projects needs to occur under the current RMA framework for around 7-10 years before the new resource management (RM) system becomes fully operative. The proposals to be consulted on would amend national direction instruments under the RMA to recognise the need for strengthened national direction to influence consenting decisions on renewable electricity infrastructure during this transition period. The policy intent of the proposals will also be translated into the National Planning Framework (NPF) which will provide national direction for the new RM system.

A summary of the proposed changes

We would like your views on the proposals summarised below in

Table 1. They are set out in this document in five parts:

- Part A discusses high-level options including statutory and non-statutory options within the Resource Management Act to address the identified issues
- Part B sets out the proposals that relate to renewable electricity generation and cover both changes to the National Policy Statement on Renewable Electricity Generation (NPS-REG) as well as a proposed new National Environmental Standard on Renewable Electricity Generation.
- Part C sets out the proposals that relate to electricity transmission and cover both changes to the National Policy Statement on Electricity Transmission (NPS-ET) as well as changes to the National Environmental Standard on Electricity Transmission Activities (NES-ETA).
- Part D provides an impact assessment of the proposed amendments to the NPS-REG and NPS-ET.
- Part E sets out proposals that relate to implementing Parts B and C. The proposals relating to NPS amendments in Parts B and C would take effect by late 2023. The proposals related to a NES-REG in Part B and the NES-ETA in Part C would come into effect in stages over time, and could support the work programme for the National Planning Framework in the new resource management system.

The table also indicates whether the specific proposals are changes to existing direction or new direction.

The proposed NPS-REG and NPS-ET have been released alongside this consultation available on MBIE's website.

We believe changes to the two existing National Policy Statements should be progressed as a priority, so that they would come into force (through being published in the Gazette) in 2023.

Proposals for changes to existing or new national environmental standards would be progressed later in 2023 to be brought into effect as regulations after 2023. Certain aspects of the standards will be progressed as infrastructure content of the NPF, which is the replacement national direction in the new resource management system. Other aspects of the standards could be progressed within standard RMA processes.

The proposals to strengthen national direction for REG and ET do not amend policy in the current NPS-REG for consenting existing hydro-generation, and are instead focussed on new wind and solar energy generation. Addressing consenting issues for hydro-generation has been considered more appropriate through the proposed Resource Management approach to freshwater allocation. We will consider conflict resolution and interactions with the NPS Freshwater Management (NPS-FM) through the National Planning Framework.

Table 1: Summary of proposals.

Topic	Summary of proposals	Status
Part A – High-level options to address the identified problems		
Part B - Strengthen national direction on renewable electricity generation		
<u>Section 1</u> Recognising and providing for the national significance of renewable electricity generation	Provide stronger and more directive policy on the important role of these activities in meeting renewable electricity and emissions targets, with greater emphasis on national benefits and providing for the specific requirements and needs of these activities.	change
<u>Section 2</u> Enabling REG activities in areas with significant environment values	Create new consenting pathways (“gateway tests” and effects management approaches) in areas with significant environment values to enable renewable electricity generation activities when the benefits of REG activities outweigh residual remaining adverse effects.	new
<u>Section 3</u> Enabling REG activities in other areas	Enable renewable electricity generation activities in other areas, including where there are potential adverse effects on local amenity values, so long as effects are avoided, remedied or mitigated to the extent practicable.	new
<u>Section 4</u> Recognising and providing for Māori interests	Introduce policy direction to recognise and provide for Māori interests in relation to REG activities, including through early engagement, protection of sites of significance, and through enabling small and community-scale REG activities.	new
<u>Section 5</u> Upgrading and repowering existing wind and solar generation	Recognise the efficiencies that can be achieved by upgrading existing renewable electricity generation activities, including utilising existing structures and infrastructure within the same or similar footprint.	change
	Develop national standards for existing onshore wind and solar and upgrades and repowering to improve consistency and efficiency in the management of adverse effects on the environment	new
<u>Section 6</u> Reconsenting existing hydro	Consider options as part of the National Planning Framework and maintain the status quo at this time.	existing (no change)
<u>Section 7</u> Enabling small and community scale wind and solar generation	Recognise and provide for the significant cumulative contribution of small and community-scale REG in meeting targets and delivering local benefits, including energy and community resilience, reducing greenhouse gas emissions, and providing for the well-being of people and communities. A new definition is also proposed.	change
	Develop national standards for small and community scale onshore wind and solar generation projects to improve	new

	consistency and efficiency in the management of adverse effects on the environment.	
<u>Section 8</u> Other options we are seeking feedback on	Nationally consistent rules for new large-scale wind and solar generation Broadening the scope of renewables national direction to apply to battery storage (grid/distribution connected). Applying pro-competitive conditions on consents for renewable generation (“use it or lose it”).	new
Part C Strengthen national direction on electricity transmission		
<u>Section 9</u> Recognising and providing for the national significance of electricity transmission	Providing for stronger and more directive policy on the important role of these activities in meeting renewable electricity and emissions targets, with greater emphasis on national benefits and providing for the specific requirements and needs of these activities.	change
<u>Section 10</u> Managing environmental effects of electricity transmission	Enabling minor activities and providing clearer consenting pathways for development of the electricity transmission network.	change
<u>Section 11</u> Improve workability and scope of the NES-ETA	Amending the NES-ETA to improve consistency and efficiency in the management of adverse effects on the environment, and improve workability through updated definitions, rules and conditions to better enable routine upgrading and maintenance of the electricity transmission network.	change
<u>Section 12</u> Other options we are seeking feedback on	Broadening the scope of electricity transmission national direction to apply to high voltage electricity networks not owned or operated by the National Grid (Transpower).	new
Part D – Impact assessment		
<u>Section 13</u> Impact assessment	Preliminary assessment of benefits, costs and risks.	
Part E – Implementation, monitoring and review		
<u>Section 14</u> Implementation	RMA implementation options, non-statutory planning guidance and implementation support	
<u>Section 15</u> Monitoring and review	Monitoring and review arrangements	

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Acronyms

BESS – Battery Energy Storage Systems

CAA – Climate Adaption Act

EMH – Effects Management Hierarchy

ERP – Emissions Reduction Plan

ET – Electricity Transmission

MBIE – Ministry of Business, Innovation and Employment

MfE – Ministry for the Environment

NBE – Natural and Built Environment Bill (2023)

NES – National Environmental Standard

NES-ETA - National Environmental Standard for Electricity Transmission Activities

NESF – National Environment Statement for Freshwater

NPS – National Policy Statement

NPS-ET – National Policy Statement on Electricity Transmission

NPS-FM – National Policy Statement for Freshwater Management

NPS-IB – National Policy Statement for Indigenous Biodiversity

NPS-REG – National Policy Statement for Renewable Electricity Generation

NZCPS – New Zealand Coastal Policy Statement (2010)

PV – photovoltaic

RMA – Resource Management Act (1991)

REG – Renewable Electricity Generation

SNA – Significant Natural Areas

SPA – Spatial Planning Bill (2023)

Introduction: Addressing the energy challenge for a low-emissions economy

Why renewable electricity is vital for our low-emissions future

The Government's 2050 vision for energy and industry is for Aotearoa New Zealand to have a highly renewable, sustainable and efficient energy system that supports a low-emissions economy. Renewable electricity – both generating it and transmitting it – is a key part of achieving that future. There is broad recognition from industry, environmental groups, and independent government organisations – including the Productivity Commission, the interim Climate Change Committee, the Climate Change Commission and Te Waihanga | the Infrastructure Commission – that New Zealand's resource management system needs to enable our renewable electricity sector to rapidly develop and expand its infrastructure.

This is vital if we are to electrify and decarbonise our economy to respond effectively to climate change. To meet our 2050 legislated net zero emissions target (excluding biogenic methane) and our energy and electricity targets, rapid expansion and major acceleration of renewable electricity infrastructure is required.

Renewable electricity generation needs to increase by an estimated 50 per cent to 70 per cent by 2035, and increase by 170 per cent by 2050. This requires maintaining the existing renewable generation and an average annual increase in generation capacity of around 400 to 500 megawatts (MW) per year until 2050.¹

Problems with the current national direction

Our current resource management settings don't allow us to build the renewable electricity infrastructure at the rate needed

New Zealand's policy statements and environmental standards under the Resource Management Act 1991 (RMA) on renewable electricity are no longer appropriate to meet today's decarbonisation objectives.

The National Policy Statement for Renewable Electricity Generation 2011 (or 'NPS-REG') and the National Policy Statement for Electricity Transmission (or 'NPS-ET') are out of date. The two policy statements are no longer fit-for purpose to enable renewable electricity infrastructure to be consented and built at the scale and rate needed.

¹ Electricity Authority (2022). Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity [Long-form report \(ea.govt.nz\)](https://www.ea.govt.nz/long-form-report)

Key issues with the existing national direction and opportunities to review these have been covered by previous reports and inquiries, including Government evaluations,² the Climate Change Commission³ (and its predecessor the interim Climate Change Committee⁴), the Productivity Commission,⁵ Te Waihanga (Infrastructure Commission)⁶ and the Electricity Authority.^{7 8} Their key findings and recommendations are summarised in Appendix A and are synthesised below:

1. The NPS-REG does not change the fundamental way that REG projects are treated through the consenting process and does not appear to have had a significant impact on councils' planning outcomes and decision-making in relation to REG projects.
2. As a less directive policy tool, the NPS-REG is given less weight in planning and consenting decisions than more directive tools. For example, inadequate national policy direction means that visual amenity effects can unnecessarily trump the development of renewable electricity generation.
3. The NPS-REG has made no difference to the time, complexity and cost of obtaining resource consents for renewable electricity generation investments.
4. The NPS-REG does not provide clear direction on key issues around consenting decisions for renewable electricity projects. Those issues include how to resolve competing national and local interests, and how to manage interactions with other issues that the RMA identifies as important – for example, protecting the country's outstanding natural landscapes and the relationship of Māori with their taonga⁹.
5. In work for the Electricity Authority, Concept Consulting has identified that wholesale contract prices are currently higher than the cost of new baseload generation (wind and solar). While prices should be returning towards long run marginal cost of wind and solar, the rate at which this appears to be happening is slow, suggesting there is a barrier to investment relative to the rate of demand growth. The survey highlights that wind developers perceive Resource Management Act requirements have a significant effect on development pace.
6. The NPS-ET has not been widely implemented by councils and could be more specific in a number of areas.

² Ministry for the Environment (2016) Report of the Outcome Evaluation of the National Policy Statement for Renewable Electricity Generation and Ministry for the Environment (2019) Evaluation of the National Policy Statement on Electricity Transmission and National Environmental Standards for Electricity Transmission Activities.

³ Climate Change Commission (2021) Ināia tonu nei: a low emissions future for Aotearoa

⁴ Interim Climate Change Committee (2019) Accelerated electrification

⁵ New Zealand Productivity Commission (2018) Low-emissions economy: Final report

⁶ Te Waihanga/New Zealand Infrastructure Commission (2022) Rautaki Hanganga o Aotearoa 2022 - 2052 New Zealand Infrastructure Strategy

⁷ Electricity Authority (2022). *Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity*.

⁸ Concept Consulting (2022). Generation Investment survey. Prepared for the Electricity Authority, July 2022. [PowerPoint Presentation \(ea.govt.nz\)](#)

⁹ The Resource Management Act 1991 does this in sections 6(b) and 6(e).

7. The NES-ETA does not effectively enable current routine maintenance practices with minor environmental effects.

This can lead to uncertain, lengthy and costly consenting processes. While the findings above indicate there is already a problem with these instruments, there is a risk that the existing consenting environment will not enable sufficient levels to be consented in the future at the pace and scale required to decarbonise our energy system.

A change in approach by the courts has also weakened the current policy statements as regulatory tools

The effectiveness of the two national policy statements has also been weakened by more recent interpretations from the courts. The two national policy statements were written when the New Zealand courts were taking an ‘overall broad judgment’ approach to decision-making, and the assumption was that renewable electricity and its benefits would be given sufficient weight when considering whether a particular proposal achieved the overall purpose of the RMA. While section 6 ‘matters of national importance’ were given more weight than section 7 ‘other matters’ as a starting point, the overall broad judgement approach allowed these matters to be considered together within the concept of sustainable management to meet the purpose of the Act.¹⁰

However, under the *King Salmon*¹¹ decision, the courts have since ruled that the ‘overall broad judgment’ approach is no longer valid when the purpose of the RMA has already given effect to by clear direction in the relevant planning documents (in that case, the New Zealand Coastal Policy Statement). With the courts’ approach, the weaker policy direction in the NPS-REG have often been overridden by stronger, more directive direction in other national direction documents and in local government plans. Those other documents and plans have created ‘environmental bottom lines’ that override the weaker, less specific language in the NPS-REG, making it harder for renewable electricity projects to obtain consent.

As a result of those policy limitations, the NPS-REG is a less effective regulatory tool and New Zealand’s renewable electricity infrastructure projects often face a costly, lengthy and uncertain resource consenting process.

¹⁰ The purpose of national policy statements is to state objectives and policies for matters of national significance that are relevant to achieving the purpose of the RMA (section 5).

The RMA also identifies matters that are of special significance for resource management, as set out in sections 6, 7 and 8. These principles give ‘further elaboration’ to the section 5 purpose of sustainable management by stating particular obligations for those administering the RMA. Section 6 matters of national importance include areas of significant environmental and cultural value such as significant biodiversity and outstanding natural landscapes. Section 7 matters tend to more abstract but include the benefits to be derived by the use and development of renewable energy.

Section 6 are matters which decision-makers must ‘recognise and provide for’ while section 7 are matters which decision-makers must ‘have particular regard to’. The statutory hierarchy means that a ‘stronger direction’ is given in relation to matters of national importance in section 6 than for the other matters in section 7.

¹¹ *Environmental Defence Society Inc v The New Zealand King Salmon Co Ltd* [2014] NZSC 38.

National policy statement for renewable electricity generation 2011

This policy statement was intended to be a positive step towards providing effective direction for local government planners and resource management decision-makers on how to provide for the development of renewable electricity generation.

However, this policy statement does not provide clear enough direction or address some key issues, such as how to resolve competing national and local interests and how to manage interactions with other issues that the RMA identifies as important – for example, protecting outstanding natural landscapes and maintaining amenity values.

The policy statement also provides no direction on how the national significance of renewable electricity generation should be considered when managing the – mainly local – adverse environmental effects, despite the critical importance of this infrastructure to meeting New Zealand’s emissions reduction targets and providing other national, regional and local benefits. This lack of policy direction can create highly uncertain, costly and lengthy consenting processes.

The main limitations of the NPS-REG relate to the time it was drafted. Emissions reduction targets had not then been incorporated into New Zealand law, and the courts were also then applying a different approach to resource-management decision making – an ‘overall broad judgement’ approach. When the NPS-REG was being developed, it was assumed that the benefits of renewable electricity generation would be given sufficient weight in consenting decisions¹².

The courts have since held that the ‘overall broad judgement’ approach was not correct. With the courts’ new approach, the directions in the NPS-REG have often been overridden by stronger, more directive language in other national direction documents and in local government plans¹³. Those other documents and plans have created ‘environmental bottom lines’ that override the weaker, less directive language in the NPS-REG, making it harder, less certain for renewable electricity projects to obtain consent. As a result, the NPS-REG has been less effective as a regulatory tool.

Those issues have been explored in a high-level review of a selection of renewable electricity infrastructure projects which identified lengthy, uncertain, costly and litigious consenting processes¹⁴.

National policy statement on electricity transmission 2008

This policy statement recognises the national significance of the National Grid (the transmission network owned or used by Transpower) and provides direction to local authorities on how to provide for the development, operation, maintenance and upgrading of the national grid in resource-management plans and consenting decisions. It has been more effective than the policy statement on renewable electricity generation in achieving its objective.

For example, the 2019 evaluation of the National Policy Statement on Electricity Transmission found that it is an important policy instrument that has broadly met its objective by:

- having a positive impact on the ability of Transpower (the owner and operator of the National Grid) to establish new transmission infrastructure

¹² NZIER/Harrison Grierson (2011) National Policy Statement on Renewable Electricity Generation Evaluation under Section 32 of the Resource Management Act 1991.

¹³ *Environmental Defence Society Inc v The New Zealand King Salmon Co Ltd* [2014] NZSC 38.

¹⁴ 4Sight Case Studies Report for MBIE (2021)

- improving the management of the adverse environmental effects from the development, operation and upgrading of the transmission network
- helping to protect the National Grid from the adverse effects of third-party activities and development¹⁵.

Transpower has recognised the benefits of the NPS-ET in supporting National Grid activities, noting that it “has provided a reasonable degree of national level policy support for National Grid activities – it allows Transpower to *seek to avoid*, rather than outright *avoid* sensitive environments”¹⁶ (emphasis in original). However, several issues and limitations with the NPS-ET have also been identified, including concerns that the provisions may not be enabling enough to support New Zealand’s more recent targets for renewable electricity and for reducing emissions.

Implementing the NPS-ET has been resource-intensive. Transpower has also raised some implementation issues and inconsistencies in how the NPS-ET has been given effect to (or not) by local authorities¹⁷. Interpreting the NPS-ET in this changing policy context is becoming more uncertain and onerous and is creating new risks for consenting the electricity transmission network.

These limitations in both the NPS-REG and NPS-ET often lead to consenting processes that are complex, lengthy, costly, uncertain and litigious¹⁸. This affects both new projects of all scales and types, and upgrades of existing infrastructure and re-consenting of existing renewable electricity activities. These problems have also been explored in the high-level review of renewable electricity infrastructure consents¹⁹.

Why we need to act now

Failing to limit global warming to 1.5°C risks irreversible harm to the environment, human health, and our economies

Climate change is the most significant environmental challenge of our time and is closely linked with the health of the environment and the future health and wellbeing of communities. Global temperatures have already risen between 0.8 and 1.2°C above pre-industrial levels, and this has caused rapid, widespread changes to the atmosphere, ocean, cryosphere, and biosphere²⁰. The scale of those changes is confirmed not just by scientific studies but also by New Zealand’s direct experiences of increasingly severe and dangerous floods, droughts, fires and storms²¹.

¹⁵ Ministry for the Environment and Ministry for Business, Innovation and Employment (2019), ‘*Evaluation of the National Policy Statement on Electricity Transmission and National Environmental Standards for Electricity Transmission Activities*’.

¹⁶ Transpower submission on NBA exposure draft, August 2021, pg.16.

¹⁷ In particular, as identified in the Transpower submission on MBIE Accelerating Renewable Energy and Energy Efficiency Discussion Document. February 2020.

¹⁸ This is well evidenced in a number of documents, including the MfE/MBIE Report (2016) *Report of the Outcome Evaluation of the National Policy Statement for Renewable Electricity Generation*, Te Waihanga (2022) *New Zealand infrastructure strategy* and 4Sight (2021), ‘*National Direction on Renewable Electricity Generation and Transmission - Issues and Options*’ - prepared for Ministry of Business, Innovation and Employment. Some of these issues are being addressed at a more general level through the resource management reforms, which include an objective of improving system efficiency and effectiveness and reducing complexity.

¹⁹ 4Sight Case Studies Report for MBIE (2021).

²⁰ IPCC Sixth Assessment Report Working Group 1 – the Physical Science Basis: Headline Statements from the Summary for Policymakers.

²¹ Ministry for the Environment (2022) *Te hau mārohi ki anamata Towards a productive, sustainable and inclusive economy: Aotearoa New Zealand’s first emissions reduction plan (Aotearoa New Zealand’s first Emissions Reduction Plan)*.

It is critical that we limit global warming to 1.5°C above pre-industrial levels, as failing in this risks widespread and irreversible harm to biodiversity and ecosystems, to human health and well-being, and to economic growth²². Without immediate and significant reductions in emissions, limiting global warming to 1.5°C will be beyond reach.

New Zealand’s government has responded with legally binding targets and a national Emissions Reduction Plan

In response to this challenge, the New Zealand Government has set legally binding targets for reducing domestic emissions²³. The main target is net-zero emissions of greenhouse gases, other than biogenic methane, by 2050 (“biogenic” means produced by living organisms, like cows).

The Emissions Reduction Plan released in May 2022 is vital for meeting this target.²⁴ Electrifying the economy and moving from fossil fuel energy use to renewable electricity is central to the country’s Emissions Reduction Plan. New Zealand will not meet this target unless we significantly increase our investment in renewable electricity and use this to replace fossil fuel use in sectors such as transport and process heat.

A key action in the Emission Reduction Plan is to reduce barriers to developing and efficiently using electricity infrastructure. A key initiative to reduce these barriers is reviewing the NPS-REG and NPS-ET which give direction to decision-makers considering consent applications for renewable electricity generation and transmission projects. Previous work and consultations, including feedback on MBIE’s discussion document *Accelerating Renewable and Energy Efficiency*, has led to the proposals contained in this consultation document.

Our renewable electricity infrastructure needs to be significantly expanded

The *New Zealand Infrastructure Strategy (2022)*²⁵ recognises that we need to rapidly expand the country’s renewable electricity infrastructure if we are to be able to meet future energy demand in a low-emissions economy.

Fortunately, New Zealand has abundant potential sources of renewable energy²⁶. The Climate Change Commission has also confirmed that the country has the technology and tools needed for the significant change that will enable us to meet our energy and emissions reduction targets.²⁷ In the last two decades there has not been sufficient investment in increasing renewable electricity capacity to meet future needs. However, in line with the future energy demand that a fully electrified economy will involve, the electricity industry has recently announced significant ambitions for new renewable capacity. A recent survey indicates that investment is now roughly 2.5 times the average rate achieved in the last decade²⁸. There is also a substantial amount of actively pursued renewable generation that could be in service by 2025 – roughly 8,000 GWh/year.

²² IPCC SR15 Global Warming of 1.5 °C – [Headline](#) Statements from the Summary for Policy makers.

²³ See the Climate Change Response Act 2002.

²⁴ You can read the Emissions Reduction Plan here: [Emissions reduction plan | Ministry for the Environment](#)

²⁵ Te Waihanga (2022). Rautaki Hanganga o Aotearoa, New Zealand Infrastructure Strategy <https://strategy.tewaihanga.govt.nz/strategy>

²⁶ Te Waihanga (2022) *New Zealand Infrastructure Strategy*.

²⁷ Climate Change Commission (2021) *Ināia Tonu Nei: a low emissions future for Aotearoa*.

²⁸ Concept consulting (2022). Generation Investment survey commissioned by the Electricity Authority. [PowerPoint Presentation \(ea.govt.nz\)](#)

We need urgent action to strengthen our resource-management settings

That intended investment needs to quickly become actual investment in order to meet the country's renewable electricity goals and help encourage competition in the electricity market.

It can take several years to get a major infrastructure project consented and built. The electricity industry has raised persistent concerns about the length, complexity and cost of consenting processes. Recent research found that the cost of obtaining resource consent for infrastructure projects has grown significantly in recent years – both in time and money²⁹. It found that consenting costs are 5.5 per cent of the total costs of an average infrastructure project, but that for smaller projects – those worth less than \$200,000 – the consenting cost averages 16 per cent of a project's costs.

It is critical that existing policy direction helps to support the consenting system for renewable electricity projects to be more efficient while also being environmentally sustainable. This will help ensure we have the right policy settings over the next seven to 10 years (the approximate time it will take for the new resource-management reforms to come into effect), and ensure that renewable electricity generation and electricity transmission meets expected demands in the coming years.

The Government is comprehensively reforming New Zealand's resource management system

In early 2021, it announced that it intended to repeal the current legislation, the (RMA), and pass three new Acts:

- The Natural and Built Environment Act (NBE) will be the main replacement for the RMA. It will seek to protect and restore the environment while better enabling development.
- The Spatial Planning Act (SPA) will seek to coordinate and integrate decisions made under relevant legislation by requiring the development of long-term regional spatial strategies.
- The Climate Adaptation Act (CAA) will seek to address complex issues associated with managed retreat from climate change effects.

The NBE and SPA Bills were introduced in November 2022. The Government intends for these bills to be enacted in mid-2023, with the Climate Adaptation Act likely to follow later in 2023.

However, it will take much longer for the full system of planning documents to be developed – these will include the NPF (which will replace the national directions under the current system), plans under the NBE, and regional spatial strategies under the SPA. This means that the national directions under the current RMA will continue to have legal effect on decisions for plan changes and resource consents during a transition period of roughly seven to 10 years. Because of the lengthy transition period, failing to resolve the current problems with the national direction on renewable electricity would pose a significant risk to meeting New Zealand's immediate targets for renewable electricity, energy and emissions reductions.

²⁹ Sapere (2022) [The-cost-of-consenting-infrastructure-projects-in-NZ-final-report.pdf \(tewaihanga.govt.nz\)](#). Report commissioned by Te Waihanga. Note this research was not specific to renewable electricity generation or transmission projects.

Addressing climate change and managing effects on the environment

Addressing the energy challenge for a low-emissions economy will also require developing electricity infrastructure in harmony with the environment.

Increasing renewable electricity generation capacity can have adverse effects on the environment

Development that increases renewable electricity capacity and transmission can have both positive and adverse environmental effects. Those effects can span local, regional, national and global scales, with the adverse effects being mainly local and the positive ones being mainly national. Natural resources from which electricity is generated can coincide with areas of significant natural environmental value, including outstanding natural features and landscapes, and significant indigenous vegetation or fauna.

There can be tensions between the values of these areas and the potential adverse effects of renewable electricity projects. For example:

- Hydropower schemes affect water quality and prevent fish from passing.
- Wind generation is necessarily located in open, and usually prominent, places, and this can result in adverse effects on landscapes and amenity values and on significant indigenous flora and fauna.
- Large ('utility-scale') solar farms can adversely affect landscapes and amenity values, significant indigenous flora and fauna, and natural wetlands.

The Low Carbon Aotearoa Energy Roadmap to 2030³⁰ sets out a vision that our energy system accelerates the transition to a net-zero future that supports the wellbeing of current and future generations and enables Aotearoa to thrive. One of the key objectives of the roadmap is that our energy sector takes responsibility for its environmental impact and supports a regenerative energy system – a system that better understands and manages the impacts of energy activities on air, land, water and biodiversity.

The roadmap emphasises that tracking and reporting the environmental impacts of energy activities is typically held by industry and councils. Section 14 on monitoring and review discusses whether public records and monitoring of energy consents could be enhanced to understand how our energy sector is performing.

New generation capacity needs to be developed in a balanced way that minimises effects on the environment

There is a risk that strengthening the policy statements for renewable electricity could weaken existing protections for the natural environment values, Māori interests, and historic heritage values. It is important that new renewable electricity capacity is developed in a balanced way that achieves a 'win-win' for both a low-emissions economy and the natural environment.

The Emissions Reduction Plan recognises that the climate crisis and the biodiversity crisis can't be separated. Aligning work on climate change and biodiversity provides an opportunity to take strong, integrated action in both areas. This approach will support our response to the climate crisis to

³⁰ Low Carbon Aotearoa (2022) – An Energy Roadmap to 2030

improve the resilience of our native species and ecosystems and avoid them being lost or destroyed. Climate policy, planning and regulation should protect, enhance and restore nature, and any impacts on nature should be reduced as much as possible.

It is reasonable for renewable electricity projects to have to go through a thorough and effective consenting process and for some projects to be refused consent if they are in inappropriate locations and or have too great adverse effects on significant values. A key focus of the proposed changes in this document is clarifying and balancing the policy objectives so that renewable electricity infrastructure can be readily enabled if it is appropriately located, and the adverse effects will be appropriately managed.

This consultation document explores how the resource management system can address these different interactions and give appropriate weight to relevant considerations. The impacts of the proposals are further described and analysed in each section and we invite you to give feedback on what weight should be given to enabling and prioritising renewable electricity in decision-making under the RMA alongside other important values.

Previous consultations and decisions

There have been numerous reviews and consultations informing the proposals in this consultation document, including review of the effectiveness of the NPS-REG, NPS-ET and NES-ETA which highlighted a number of issues and limitations. In 2019, the Government decided to strengthen existing RMA national direction on renewable electricity generation and transmission. Public consultation on proposals to achieve this subsequently took place in 2019-2020 through MBIE's discussion document *Accelerating Renewable and Energy Efficiency*.

The work to strengthen this national direction has also been supported through the recommendations of the Productivity Commission, Climate Change Commission, Te Waihanga (NZ Infrastructure Commission), and the Electricity Authority. A summary of the findings of government evaluations and independent reviews is provided in Appendix A.

Public submissions on the *Accelerating Renewable Energy and Energy Efficiency* discussion paper in 2019 indicated strong support for changes to national direction for renewable electricity. The majority of submitters agreed that the NPSREG was relatively weak in comparison to other national direction instruments, and not aligned with the importance of the renewable energy and climate change challenge. (Para. 65) and does not resolve the difficult decisions at a local level (such as weighting local impacts against national scale benefits that often do not benefit the affected parties directly) (Para. 66 and 67). In general, submitters favoured prioritising work on updating the NPS-REG and other national direction instruments to resolve current issues.

MBIE received detailed submissions on questions around amending the NPS-REG, including on:

- Weighing renewable energy against other national priorities
- Weighting national benefits against local impacts
- The importance of existing generation
- The scope of the NPS-REG
- Community and small-scale renewables

- The importance of transmission and distribution links

There was also mixed or qualified support for other options for providing for renewables through the planning system including an NES for renewable energy.

This has been reinforced by targeted engagement in 2022 on the proposals in this consultation document with the electricity industry, local government and iwi/Māori. Feedback on the proposals from the electricity sector has been supportive, although concerns have been raised about the limited effectiveness of enabling policies that interact with more directive ‘avoid’ policies in other national direction instruments. Feedback from local government has also been broadly supportive of the proposals provided these do not introduce additional workload ahead of resource management reform. Feedback from iwi/Māori on the proposals is discussed below.

Objectives and the approach of proposals in this consultation document

Policy objectives

The overarching objective of the proposals in this consultation document is to substantially increase renewable electricity generation output and to achieve this by improving the consenting of renewable electricity generation and electricity transmission while managing adverse effects on the environment.

To achieve this overarching objective, the supporting objectives are to:

- provide more enabling policy direction for renewable electricity generation (REG) and electricity transmission (ET)
- better manage competing interests with other Part 2 RMA matters, particularly environmental outcomes which are listed in section 6 as “matters of national importance” through nationally consistent consenting pathways; and
- provide for Māori interests for the consenting of REG and ET projects and incorporate the principles of Te Tiriti o Waitangi.

Assessment criteria

The proposals will be assessed against assessment criteria that have been derived from these policy objectives as outlined in the table below.

Table 2: Criteria used to assess the proposals

Criteria	Questions to guide application of the criteria
<i>Effectiveness in supporting NZ'S renewable electricity and emissions reduction targets</i>	<p>Will the option be effective in supporting reductions in emissions and the accelerated electrification of the economy?</p> <p>Is the option aligned with the Government's overarching approach to climate change mitigation and the Emissions Reduction Plan?</p> <p>Will the option be effective in addressing the issues that have been identified?</p>
<i>Environmental outcomes</i>	<p>Will the option provide environmental co-benefits?</p> <p>Will the option promote positive environmental outcomes?</p> <p>Will the option ensure adverse environmental effects are appropriately managed?</p>
<i>Te Tiriti o Waitangi outcomes</i>	<p>Does the option take into account the principles of Te Tiriti o Waitangi and protect Māori rights and interests?</p> <p>Does the option promote partnership and provide for the kaitiaki role of tangata whenua?</p> <p>Does the option recognise and provide for the relationship of Māori with their ancestral lands, water, sites, waahi tapu, and other taonga?</p>
<i>Consenting efficiency and certainty - resource consent applicants, local government and central government</i>	<p>Will the option improve the efficiency and certainty of consenting processes for renewable electricity generation and transmission projects, for applicants and local authorities?</p> <p>Will the option provide clear consenting pathways appropriate to the scale and significance of the proposal?</p> <p>Are there implementation risks for local authorities and central government?</p>

The following assessment rating is used to assess the policy options in this consultation document.

Key for assessing option against criteria:	
++	much better than status quo
+	better than status quo
0	about the same as status quo
x	worse than status quo
xx	much worse than status quo

National policy statements

The proposals in this document focus on strengthening, as a priority, the current national policy statements on renewable electricity generation and electricity transmission, to help provide a consenting process that is more efficient, certain and also environmentally sustainable.

The two policy statements share similarities regarding the issues to be addressed and the outcomes sought. We therefore propose progressing the amendments to the two statements in parallel, to ensure they are developed in an integrated way. This approach recognises the need for stronger national policy direction to influence consenting decisions on renewable electricity projects during the transition to the new resource management system. The proposals would not require local authorities to initiate plan changes ahead of resource management reform but are instead intended to influence consenting decisions during this transitional period. Feedback is also being sought on whether some provisions should be directly inserted into plans as discussed further in Part E – Implementation.

Broader, longer term and more comprehensive changes are being pursued as part of the resource management reforms. Some of the new provisions are expected to improve the consenting environment for renewables, beyond what is achievable within the existing legislation. For example, the National Planning Framework will give greater direction on spatial planning and conflict resolution processes, and this could better enable and provide for renewable electricity infrastructure within each region.

National environmental standards

Treaty partners, independent commissions, and organisations interested in the energy sector have raised other important issues that can be addressed by amending the current national environmental standards ('NES') and developing new ones.

We are therefore seeking feedback on:

- amendments to improve the National Environment Standards for Electricity Transmission Activities (NES-ETA)
- our proposal to introduce new National Environmental Standards for Renewable Electricity Generation, which would include nationally consistent rules and standards for wind and solar generation relating to small and community-scale projects and for upgrading and repowering existing generation sites.

Developing standards is complex and it requires a different, more lengthy regulatory process. Further, nationally consistent standards for infrastructure (for example, for tree trimming, earthworks, and noise) are being developed for the National Planning Framework. As a result, the Government will determine how to sequence and progress any new or amended NESs for renewable electricity generation and electricity transmission in the most effective and efficient way, whether this is through the current Resource Management Act, the new National Planning Framework, or both.

Further development and sequencing of the proposed changes to National Policy Statements and National Environmental Standards are shown at Table 3 below.

Table 3: Policy development for proposed amendments

	NPS-REG	NPS-ET	NES-REG	NES-ETA
2023	Report on submissions and policy recommendations (section 46A report)	Report on submissions and policy recommendations (section 46A report)	Consideration of issues and options under the RMA and the National Planning Framework	Consideration of issues and options under the RMA and the National Planning Framework
	Further drafting of NPS	Further drafting of NPS		
	Exposure draft consultation (TBC, if substantive changes to drafting from earlier consultation)	Exposure draft consultation (TBC, if substantive changes to drafting from earlier consultation)		
	Final government approval of final NPS	Final government approval of final NPS	Summary of submissions and policy recommendations (section 46A report)	Summary of submissions and policy recommendations (section 46A report)
	Gazettal (NPS takes effect 28 days after gazettal)	Gazettal (NPS takes effect 28 days after gazettal)		
2024			Cabinet approval of policy and drafting instructions	Cabinet approval of policy and drafting instructions
			Exposure draft consultation	Exposure draft consultation
			Cabinet approval of final NES	Cabinet approval of final NES
			Gazettal / standards come into force	Gazettal / standards come into force

Te Tiriti o Waitangi (Treaty of Waitangi) and Māori interests

Treaty of Waitangi and te ao Māori in the resource management system

The RMA specifically recognises the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga, the protection of historic heritage, the national protection of customary rights, the role of tangata whenua as kaitiaki, and the principles of the Treaty of Waitangi³¹.

³¹ See sections 6(e), 6(f), 7(a), and 8.

There are also a range of other provisions in the RMA that recognise and provide for the role of tangata whenua as kaitiaki, including requirements to engage with tangata whenua when preparing RMA planning documents and to establish joint management agreements between iwi authorities and local authorities. Although these obligations exist, there is inconsistency in how Māori interests are provided for in RMA decision-making processes throughout the country.

A key reason for that includes limitations in capacity and capability for central and local government and iwi and Māori to engage on resource management issues, and lack of funding and support to address these issues.³²

One of the key objectives of the resource management reforms is to “Give effect to the principles of Te Tiriti o Waitangi and provide greater recognition of Te Ao Māori including mātauranga Māori”. This is expected to include, for example, increasing the statutory weighting to “give effect to” the principles of Te Tiriti of Waitangi under the Natural and Built Environment Act and supporting provisions to provide a stronger role for Māori in the new resource management system.

Māori interests in renewable electricity generation and electricity transmission

Renewable electricity generation and electricity transmission projects can have both positive and adverse effects for tangata whenua and for the land, water and other taonga that are important to them.

For example, feedback from iwi on MBIE’s discussion document *Accelerating Renewable and Energy Efficiency* indicated strong support for the growth of community-scale renewable generation³³. Some iwi submissions also indicated support for the role of renewable electricity generation in reducing emissions, with one stating “As kaitiaki, we also think it is incredibly important we play our role in reducing emissions and addressing the climate crisis”.

Iwi support for small and community-scale renewable energy can also be seen in the applications to the Māori and Public Housing Renewable Energy Fund administered by MBIE. Since 2021, this has funded numerous iwi and Māori organisations for a range of renewable energy projects, including solar generation for Māori housing in more remote locations, and feasibility studies for community-scale generation for Māori households. Some successful geothermal generation projects have also been developed by or with the support of iwi.

On the other hand, renewable electricity generation and electricity transmission projects can adversely affect Māori rights and interests and cultural values, particularly where these are in areas of significance to tangata whenua. For example, in the case of a recent Transpower realignment proposal in Rangataua Bay, in Tauranga Harbour: the High Court found that the proposal would have significant adverse effect on an area of cultural significance.³⁴

More recently, iwi have raised concerns about approval for a wind energy facility in Kapuni, in south Taranaki. The decision-making panel for the proposal noted the significance for local iwi of the maunga affected by the proposal.

³² [New directions for resource management in New Zealand | Ministry for the Environment \(pg 88\)](#)

³³ MIBE ‘Accelerating renewable energy and energy efficiency Summary of submissions’, refer: [Accelerating renewable energy and energy efficiency: Summary of submissions \(mbie.govt.nz\)](#)

³⁴ *Tauranga Environmental Protection Society v Tauranga City Council* [2021] NZHC 1201 at [120(e)].

Treaty of Waitangi Settlements

There are some significant cultural concerns and historical grievances associated with existing hydro and geothermal generation schemes, and these are reflected in several Treaty Settlements³⁵. These settlements have included the Crown acknowledging the impact of the construction of hydro and geothermal schemes on affected iwi through causing significant, and generally irreversible, changes in waterbodies and widespread environmental degradation, and with limited or no engagement with iwi.

All waterbodies affected by the large hydro schemes are taonga to tangata whenua and are subject to various obligations in Treaty of Waitangi and Settlement legislation. The proposals in this consultation document will not have an impact on Treaty Settlement legislation or other obligations arising from Treaty settlements such as settlement deeds, and other accords and agreements between the Crown and relevant iwi and hapū. This includes those settlements that create specific regimes for waterbodies or geothermal and other resources that are significant to tangata whenua and that are existing or potential sources of renewable electricity. For example, the specific regimes for the Waikato River, as this settlement legislation overrides any national policy statement if the two are inconsistent.

How the proposals could affect Māori

We have engaged with a number of iwi throughout New Zealand about the intent of the proposals in this document and that has informed our understanding of the impact they could have on iwi and Māori. MBIE also received several submissions from iwi as part of consultation in 2019 and 2020 on our discussion document *Accelerating Renewable Energy and Energy Efficiency*, and we have drawn on those submissions in developing the proposals in this document.

In online hui to discuss these proposals, iwi representatives raised concerns about the need for iwi to be more involved during consenting processes and the need to protect Māori sites of significance and cultural values, particularly for freshwater. They also raised concerns about environmental life-cycle issues, including relating to decommissioning and recycling renewable electricity components such as wind turbine blades. There was strong support from those who attended the hui for community-scale energy generation to allow whānau and communities to provide for their own energy needs and be self-sufficient.

Māori have a special relationship with the coastal environment as reflected in the Marine and Coastal Area (Takutai Moana) Act 2011. Some of the proposals in Sections 2 and 10 suggest REG and ET developments being more enabled in the coastal environment. We are seeking further views from iwi/Māori partners to better understand these relationships and potential impacts.

Part B of this consultation document includes proposals for how renewable electricity projects should consider and provide for Māori interests, over and above existing provisions in the RMA and in Treaty Settlements. Through engaging with iwi and Māori on these proposals, we are seeking feedback on how an amended national direction could better provide for Māori interests.

³⁵ Including, for example, the Waikato River iwi settlement acts, Ngati Rangī Settlement Act, Ngati Manawa Settlement Act, and Whanganui River Settlement Act.

Interactions with other national direction instruments in the resource management system

Strengthening national direction on renewable electricity generation and electricity transmission requires proactively managing interactions with other national direction instruments in the resource management system. The proposed approach is to provide a clearer consenting pathway for renewable electricity and transmission projects, including when other values are being managed and protected through other National Policy Statements. This consenting pathway is a key policy proposal and is discussed in Section 2 (for REG) and Section 10 (for transmission).

Out of scope: Issues that are not discussed in this document

Renewable energy on a broader scale

The use of renewable energy sources other than for the primary purpose of electricity generation includes biomass, biogas, and direct use of geothermal heat. Green hydrogen is considered to be a user of renewable electricity generation, not a source. These sources are not currently the focus of these proposals as they involve a wider range of resource management issues that are beyond the scope of these current proposals. However, they could be considered as part of developing the National Planning Framework in the new resource management system.

The regulatory framework for offshore renewable generation

Offshore renewable energy generation could be viable in New Zealand's Exclusive Economic Zone (not covered by the RMA and associated instruments) and Territorial Sea (which is covered by the RMA and associated instruments). A separate piece of work is looking at the broader regulatory settings for offshore renewable energy. The Government is consulting until 14 April 2023 on regulatory proposals to manage feasibility studies. The consultation document is available [here](#)³⁶

This consultation document does not propose any specific policies relating to offshore renewable electricity generation. However, the policy proposals in this consultation could inform future decision-making on offshore renewable electricity generation governed both by the RMA (within New Zealand's territorial waters) and the Exclusive Economic Zone (beyond 12 nautical miles).

Decommissioning renewable electricity infrastructure

This consultation document does not specifically address waste production and resource recovery from decommissioned renewable electricity infrastructure – for example, when infrastructure is upgraded or replaced (as when wind farms are repowered and the existing turbines are replaced)³⁷

Waste from these activities is considered alongside other waste streams as part of waste, recycling, recovery and product stewardship policy led by the Ministry for the Environment (MfE).

³⁶ Ministry of Business, Innovation and Employment (2022), *'Enabling Investment in Offshore Renewable Energy – Discussion Document'*.

³⁷ Recycling and reusable options for wind turbine blades in particular have only recently emerged. The landfilling of turbine blades has been banned in Germany, Austria, the Netherlands and Finland.

Questions³⁸ on problems, objectives and scope

- 0.1 To what extent do you agree with the problems and opportunities identified in this section?
- 0.2 To what extent do you agree with the policy objectives of the proposals?
- 0.3 To what extent do you agree with the scope of the proposals?
- 0.4 Please provide any comments about this section.

³⁸ The questions starting with “To what extent do you agree...?” can be answered using the likert scale as follows:

Strongly agree, agree, neutral, disagree, strongly disagree.

All questions can be answered using the online survey tool available on MBIE’s webpage for this consultation.

Part A: High-level options to address the identified problems

This section provides an overview of the key options considered to address the problems outlined in the Introduction, and a high-level assessment of those options. There are tools within the RMA that can be used to provide national direction on a particular problem or matter of national significance. There are also regulatory and non-regulatory options that sit outside the RMA that can be used to provide national direction and guidance. The high-level options identified are as follows:

- Amendments to existing National Policy Statements
- Amendments to existing National Environmental Standards
- Ministerial call-in powers
- Fast-track consenting
- Non-statutory planning guidance

Amendments to existing National Policy Statements

The purpose of National Policy Statements (NPS) is to state objectives and policies for matters of national significance that are relevant to achieving the purpose of the RMA. An NPS may also state objectives, policies and methods and other requirements that local authorities must consider or include in their policy statements and plans. Local authorities must “give effect to” relevant NPS provisions through their regional policy statements and plans and “have regard to” relevant NPS provisions when considering resource consent applications (section 104(1)(b)(iii)).

Amending the two existing NPS relevant to renewable electricity generation (NPS-REG) and transmission (NPS-ET) would involve addressing their limitations with the aim of providing a more efficient and certain consenting process for renewable electricity generation and transmission that is also environmentally sustainable. The amendments would seek to achieve this through clear policy direction on the need to significantly increase renewable electricity generation and transmission capacity and improved policy direction to decision-makers on how to resolve interactions with competing national and local interests.

The main limitation of this option is that there is less certainty compared with an NES about the desired outcomes that will be achieved as NPS provisions are still subject to a level of interpretation at the local level. This risk can be mitigated through clear and directive provisions in each NPS that leave limited scope for discretion and inconsistent interpretations in consenting decisions.

There are also some implementation challenges such as the time lag and workload for local authorities to “give effect to” the amended NPSs through making changes to their policy statements and plans. We discuss options to ensure implementation effectiveness and ways to guarantee that the amended policy direction informs consenting decisions during the transitional period to the new resource management system. We will need to carefully manage the potential burden on local authorities in changing local and regional policy statements and plans at a time of reform and

substantial change. For example, as outlined in Part E (implementation), we are considering the option to require objectives and policies in the NPS to be directly inserted into plans and policy statements (in accordance with section 55(2) of the RMA) without using the standard plan-making process.

Amendments to existing and new National Environmental Standards

National Environmental Standards (NES) are regulations made under section 43 of the RMA. NES prescribe standards for environmental matters and can operate in a similar way as plan rules to provide greater national consistency and certainty in permitted activity and resource consent requirements for different types of activities (including infrastructure). NES generally prevail over plan rules, except where an NES expressly states plan rules can be more stringent or lenient.

The existing NES on transmission (NES-ETA) sets out nationally consistent standards for electricity transmission activities but there is no equivalent set of national standards to support the roll out of renewable electricity generation projects. This option would involve amending the NES-ETA to improve its workability and to better enable routine upgrading and maintenance of the electricity transmission network. This option would also involve developing a new NES for renewable electricity generation for onshore wind and solar generation relating to small and community-scale projects and upgrading and repowering existing generation.

The benefits of this option include the NES provisions having immediate effect and providing a high level of certainty and consistency in how both NES are implemented, and outcomes achieved. The main limitation of this option is that they provide limited flexibility to respond to local priorities and policies. As such, the NES-ETA amendments and a new NES on renewable electricity generation need to be carefully designed to ensure they are appropriate in all locations to avoid unintended consequences, such as undesirable cumulative effects on nearby communities from greater-than-expected uptake of community-scale REG.

Additionally there is overlap with this option and the wider work to develop nationally consistent standards for infrastructure in the National Planning Framework that need to be managed. This will be managed by working closely within government to determine how to sequence and progress any new or amended NESs for renewable electricity generation and electricity transmission in the most effective and efficient way, whether this is through the current Resource Management Act, the new National Planning Framework, or both.

Ministerial call-in powers

The Minister for the Environment has the power under section 24(c) and Part 6AA of the RMA to decide whether a proposal is of national significance and refer that proposal to a Board of Inquiry or the Environment Court for a decision. Ministerial call-in powers have the potential to accelerate the approval of renewable electricity generation and transmission projects by providing a single decision-making process rather than obtaining the relevant consents at the local authority level and then having the decision appealed to the Environment Court (and potentially higher Courts).

The limitation of this option is that any renewable electricity generation or transmission project that is called in as a matter of national significance still needs to be assessed against the same statutory

framework under the RMA. As such, this option would not address limitations with the NPS-REG and NPS-ET including the lack of direction on how to resolve interactions with competing national and local interests. It would not include any clear policy direction to the Environment Court or Board of Inquiry on the need to significantly increase renewable electricity generation or transmission capacity. This option is therefore complementary rather than duplicative with national direction. It may assist in providing a timelier decision-making process for large-scale renewable electricity generation or transmission projects but is unlikely to materially affect the outcome of the decision-making process under current policy settings.

Fast-track consenting

The COVID-19 Recovery (Fast-track Consenting) Act 2020 (FTCA) came into force on 9 July 2020 as a response to the Covid-19 pandemic, and the associated New Zealand wide lockdowns. The purpose of the FTCA is to urgently promote employment to support New Zealand's recovery from the economic and social impacts of COVID-19 and to support the certainty of ongoing investment across New Zealand, while continuing to promote the sustainable management of natural and physical resources. Key characteristics of the FTCA that differ from RMA consenting include no provision for public notification, shorter timeframes for processing a decision and limited appeal rights (High Court on points of law only).

The FTCA originally self-repealed after two years, but in November 2021 the COVID-19 Response (Management Measures) Legislation Act came into effect, extending the self-repeal date of the FTCA by a year out to 8 July 2023. Renewable projects to date that have been referred for consideration by an expert consenting panel under FTCA include Kapuni Green Hydrogen (wind turbines and hydrogen production infrastructure) in Taranaki, Tauhei Solar Farm and Waiterimu Solar Farm projects in Waikato, and Te Rere Hau Wind Farm Repowering near Palmerston North.

The NBE Bill contains a specified housing and infrastructure fast-track consenting pathway which is broadly based on the FTCA including limited appeal rights. However, notable differences³⁹ are that only certain types of housing and infrastructure projects that deliver benefits are eligible to use this pathway. Relevant to energy, this includes wind or solar energy generation, renewal of consents for REG (including hydro), and electricity distribution or transmission network infrastructure. This option will assist in a more efficient decision-making process for REG and ET projects, particularly until the new RM system is fully operational.

Non-statutory planning guidance on renewable electricity generation

This option would involve the development of non-statutory guidance on renewable electricity generation as discussed in section 14 of this consultation document. The focus would be on supporting developers and decision-makers to plan for, and consider, renewable electricity generation projects, including how to assess and manage adverse environmental effects.

³⁹ Other notable differences to the FTCA relate to how the Minister will be advised on whether an activity is eligible or not, appointing of the expert consenting panels, timeframes and notification provisions

This option will have limited effectiveness as a standalone option. Non-statutory guidance does not have any statutory weight and is therefore unable to effectively address identified issues with the NPS-REG, including the lack of direction on how resolve interactions with competing national and local interests. Non-statutory planning guidance can be considered as a relevant “other matter” when assessing resource consent applications under the RMA, but this is unlikely to have material impact on consenting decisions for renewable electricity generation when considered against directive policies in other national direction and local plans.

However, non-statutory planning guidance can be effective to support the implementation of national direction instruments. It is standard practice for central government to release non-statutory guides with new or amended national direction instruments to assist with effective and efficient interpretation and implementation. Non-statutory planning guidance can provide more context on the policy intent of provisions and practical examples to assist developers and local authorities plan for and consider renewable electricity generation projects. As such, it is complementary rather than duplicative with national direction.

Preferred option – proposed national direction

The preferred option or ‘proposed national direction’ is a combination of the options above. The proposed national direction involves:

- Amending, as a priority, the NPS-REG and NPS-ET to help provide a consenting process that is more efficient and certain while also being environmentally sustainable. This approach recognises the long transition time until consenting decisions are made under plans in the new resource management system and the need for stronger national policy direction to influence consenting decisions on renewable electricity generation and transmission projects during this transition. The amended policy direction that is finally agreed will also be incorporated into the National Planning Framework of the new resource management.
- Amending the NES-ETA to improve workability and better enable routine upgrading and maintenance of the electricity transmission network and developing a new NES focusing on small and community-scale wind and solar generation projects, and upgrading and repowering existing wind and solar generation.

Supporting non-statutory planning guidance would also be developed to assist with the effective, efficient and consistent implementation of this proposed national direction.

Questions on high-level options

- 0.5 To what extent do you agree the preferred option will best address the problem and meet the policy objectives?
- 0.6 Do you agree that the NPS-REG and NPS-ET amendments are of higher priority than progressing the NES-ETA amendments and a new NES-REG?
- 0.7 Please provide any comments about this section.

Part B: Strengthening national direction for renewable electricity generation

Part B of this document focuses on issues and options related to renewable electricity generation. In each section, we provide an overview of the problem we want to address, the options we would like your feedback on, draft wording for the proposed new provisions, and finally several questions to help focus your feedback on the key issues.

The draft wording in the provisions tables in each section have been taken from the proposed NPS-REG draft released alongside this consultation document and available on MBIE's website.

The sections in Part B are:

- **Section 1:** Recognising and providing for the national significance of renewable electricity generation
- **Section 2:** Enabling REG in areas with significant environment values
- **Section 3:** Enabling REG in other areas
- **Section 4:** Recognising and providing for Māori interests
- **Section 5:** Upgrading and repowering existing wind and solar generation
- **Section 6:** Reconsenting existing hydro generation
- **Section 7:** Enabling small and community scale wind and solar generation
- **Section 8:** Other issues – nationally consistent rules for new large-scale wind and solar, battery storage and 'use it or lose it' rules.

The proposals and options in Part B focus on key changes to some existing NPS-REG provisions, while retaining others. For example, there is no change proposed to Policy E2 relating to hydro-generation and the intent of the preamble in that policy statement relating to water allocation.

In relation to geothermal generation, feedback from industry indicates that the existing geothermal classification provisions in the Bay of Plenty and Waikato Regional Plans, are generally working well in practice to both protect and enable the use of geothermal systems. The provisions in the proposed National Policy Statement for Indigenous Biodiversity (NPS-IB) relating to geothermal Significant Natural Areas (SNA) also seek to enable these existing geothermal classifications systems to continue, subject to meeting certain considerations and requirements. There are no specific changes proposed to the status quo for geothermal generation.

Section 1: Recognising and providing for the national significance of renewable electricity generation

Problem statement

The NPS-REG 2011 was developed before New Zealand’s targets for reducing emissions became law. Climate action is now urgent globally and domestically, and electrification of our economy is the most important enabler for decarbonising New Zealand’s energy system.

The original intent of the existing national policy statement is now outdated given the way in which NPSs are now drafted, the approaches now taken by the courts, and the climate emergency. The policy direction in the NPS-REG therefore needs to be amended to support New Zealand’s emissions reduction targets effectively, as discussed in the introduction to this consultation document⁴⁰.

Options

Option 1 (proposed)		Status quo
Stronger policy direction to recognise and provide for the national significance of renewable electricity generation	or	Existing provisions

Status quo

Even though the many of the matters in the existing NPS-REG are relevant (and are proposed to be retained), the existing provisions are weakly worded. For example:

- Policy B and Policy C1: “Decision-makers shall *have particular regard* to the following matters (...)”
- Policy C2: “(...), decision-makers *shall have regard* to offsetting measures or environmental compensation (...)”

Where wording is more directive, it is focused on directing decision-makers to include in their policy and planning documents objectives, policies, and methods rather than directing what those objectives and policies should be. For example:

- Policy E: “Regional policy statements and regional and district plans *shall include* objectives, policies and methods (including rules within plans) to provide for the development, operation, maintenance, and upgrading of new and existing renewable electricity generation (...) to the extent applicable to the region or district.”

Option 1 (proposed)

We propose amending the NPS-REG and some associated implementation requirements. These amendments focus on:

⁴⁰ See the section ‘Problems with the current national policy statements that need to be addressed’ in the Introduction.

- Providing stronger, more directive policy direction to support a significant increase in REG to meet New Zealand’s emissions reduction targets and emissions budgets.
- Providing for the critical role of renewable electricity generation in helping to address climate change and the significant harm that climate change is causing to the environment and the well-being of people and communities.
- Making sure that resource-management decisions give more weight to the national significance and benefits of renewable electricity generation and of responding to climate change alongside other locally, regionally, and nationally significant issues.
- Clarifying the meaning of “operational need” and “functional need”⁴¹ in relation to the location of REG activities.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the proposed NPS-REG draft released alongside this consultation document that are relevant to this section. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal. The draft wording may be refined later in response to the feedback and submissions we receive.

Table 4: Draft provisions for proposal.

Draft provisions
<p>Objective:</p> <p>The Objective of this National Policy Statement is that electricity generated in Aotearoa New Zealand from renewable resources is significantly increased in a timely manner to achieve New Zealand’s emissions reduction targets, emissions budgets, energy targets, and associated commitments under any emissions reduction plan:</p> <p>(a) through enabling the effective and efficient development, operation, maintenance, and upgrading of renewable generation assets; and</p> <p>(b) while managing adverse effects on the environment.</p> <p>Policy 1: The benefits of increasing renewable electricity generation at any scale are realised at a national, regional, and local level.</p> <p>Policy 2:</p> <p>Planning decisions:</p> <p>(a) recognise and provide for the national significance of REG activities; and</p> <p>(b) enable REG activities to occur in a timely and efficient way; and</p> <p>(c) recognise and provide for the operational and functional needs of REG assets.</p>

⁴¹ **functional** need means the need for a proposed activity to traverse, locate or operate in a particular environment because the activity can only occur in that environment

operational need means the need for a proposal or activity to traverse, locate or operate in a particular environment because of technical, logistical, or operational characteristics or constraints

Policy 7: Reverse sensitivity effects on REG activities are avoided or mitigated where practicable.

Policy 8: The loss of renewable electricity generation output from a region or district is avoided to the extent practicable, unless it can be readily replaced in the region or district.

3.2 Consideration of national significance and benefits of renewable electricity generation

(1) When making decisions about REG activities, recognise and provide for:

- (a) the national significance of renewable electricity generation; and
- (b) the need to significantly increase renewable electricity generation in a timely manner; and
- (c) the benefits of renewable electricity generation, which include all the following:
 - (i) avoiding, reducing, and displacing greenhouse gas emissions to help mitigate climate change and reduce its adverse effects on the environment and the well-being of people and communities;
 - (ii) using renewable rather than finite resources;
 - (iii) avoiding reliance on imported fuels for the purpose of generating electricity
 - (iv) contributing to the security, resilience, independence, and diversity of electricity supply at national, regional, and local levels;
 - (v) providing for the economic, social and cultural well-being of people and communities;
 - (vi) the reversibility of the adverse effects on the environment of some renewable electricity generation technologies.

3.3 Consideration of cumulative increases and losses in generation output

(1) When making decisions about REG activities, or other activities that may affect REG activities, decision-makers must recognise that in order to significantly increase renewable electricity generation output:

- (a) the cumulative increase in renewable electricity generation output, at any scale and in any location, is important for achieving the objective of this National Policy Statement and should be enabled; and
- (b) the cumulative effect of the loss of renewable electricity generation, at any scale and in any location, is detrimental to achieving the objective of this National Policy Statement and should be avoided to the extent practicable.

3.4 Consideration of operational and functional needs of REG assets

When considering the operational and functional needs of specific REG assets to be in a particular location, recognise and provide for the need for REG assets:

- (a) to be located where a renewable resource is located and available; and
- (b) to be accessible to electricity transmission or distribution networks; and
- (c) to have sufficient land to support all associated current and future REG activities

Assessment

Effectiveness to support targets

The directiveness of the language in the proposal supports reductions in emissions and the accelerated electrification of the economy. This aligns with the ERP and the Government's priorities more closely than the status quo. This proposal will therefore more effectively address the issues identified in the current NPS-REG. The current NPS-REG provides some support for renewable electricity activities, but not enough to enable the scale and pace of renewable electricity generation that New Zealand needs.

Environmental outcomes

While the scope of the proposal does not explicitly provide for environmental co-benefits, it does not preclude this to occur in practice through design, consenting, environmental management and implementation. The proposal provides for positive environmental outcomes with respect of reducing emissions which will benefit the natural environment over time. The assessment and appropriate management of environmental effects will continue to be undertaken and will be clarified through other provisions below.

Te Tiriti o Waitangi

The intent is that this proposal will not adversely affect existing protections for Māori interests and sites of significance to tangata whenua. The proposal seeks to strengthen policy direction for REG without undermining existing provisions and protections for Māori interests in national direction, RMA plans, consenting processes Mana Whakahono ā Rohe, and other legislation such a settlement legislation.

Consenting efficiency and certainty

The increased specificity in the proposal in relation to consenting processes will provide greater certainty for developers and decision makers as to the weight that should be given to REG. By contrast, retaining the status quo risks entrenching barriers to the increased scale of REG development needed to meet emissions reduction budgets and targets. Implementation guidance and central government support are intended to provide further efficiencies once the amendments are gazetted, although this will need to be adequately resourced and funded.

Overall assessment

Overall, the preferred option is considered better than the status quo as it provides greater certainty for developers and decision-makers. This includes the legal weighting of REG in planning decisions, while retaining processes to appropriately identify and address environmental and cultural effects. By contrast, retaining the status quo risks retaining a planning framework that is a barrier to the development of renewable electricity generation.

Table 5: Assessment of options.

Criteria	Status quo	Option 1 (proposed)
Effectiveness to support targets	0	+
Environmental outcomes	0	0
Te Tiriti o Waitangi	0	0
Consenting efficiency and certainty	0	+
Overall assessment	0	+

1. Questions on recognising and providing for the national significance of renewable electricity generation

- 1.1. To what extent do you agree with the problem statement for this section?
- 1.2. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?
- 1.3. Are there other benefits from REG activities that have not been identified?
- 1.4. Are there any relevant provisions from the existing NPS-REG that in your view should be retained?
- 1.5. Please provide any evidence or examples to support your view.
- 1.6. Please provide any comments about this section.

Section 2: Enabling renewable electricity generation in areas with significant environment values

This section relates to ‘areas with significant environment values’, which in this document and the proposed NPS drafts means the following matters of national importance that are identified in section 6 of the RMA:

Coastal environment only

- areas with natural character

Within and outside the coastal environment

- outstanding natural features and landscapes
- areas with historic heritage, including sites of significance to Māori and wahi tapu
- indigenous biodiversity and SNAs.⁴²

Areas with significant freshwater values, including natural inland wetlands and rivers, and consenting existing hydro-generation projects are subject to specific policies and rules in the National Policy Statement for Freshwater Management 2020 (NPS-FM) and National Environmental Standards for Freshwater 2020 (NESF) and are discussed separately in section 6.

Potential conflicts with the relationship of Māori with their taonga is addressed in section 4.

Problem statement

Analysis commissioned by MBIE in 2021⁴³ and feedback from REG developers during previous consultation⁴⁴ is that conflicts between larger-scale REG activities and areas with ‘significant environment values’ is inevitable, and interactions between national directions is an important issue for delivering the required scale of REG under the RMA.

The NPS-REG provides no policy direction on how interactions and conflicts between REG activities and significant environment values should be addressed. That policy statement was originally drafted on the basis that renewable electricity generation would be given sufficient weight under the ‘overall broad judgement’ approach which involved decision-makers considering whether a proposal achieved the overall purpose of the RMA.

However, the courts later decided that the overall broad judgement approach is incorrect when the relevant planning documents address the relevant matters. The electricity sector has raised concerns that some REG projects are being precluded from the outset where they may have more than minor effects on areas with significant environment values and the relevant planning provisions require the avoidance of effects on these areas.

Section 6(f) of the RMA also requires decision makers to recognise and provide for the protection of historic heritage from inappropriate subdivision, use, and development as a matter of national

⁴² **significant natural area** means an area identified in a regional policy statement or plan as an area of significant indigenous vegetation or significant habitat of indigenous fauna, following an assessment by a suitably qualified ecologist using ecological significance criteria

⁴³ 4Sight (2021) National direction on renewable electricity – Case Studies Report. Commissioned by MBIE.

⁴⁴ MBIE (2019). *Accelerating renewable energy and energy efficiency*. Consultation document.

importance. Historic heritage is defined broadly in the RMA and includes sites of significance to Māori and wāhi tapu.

While there is less evidence, historic heritage is acting as a consenting barrier to REG projects, the intent of these options is focused on providing a consistent approach to section 6 matters when managing the adverse effects of REG and ET projects on historic heritage. It is also considered best practice for REG projects to include an assessment on heritage values (including archaeology)⁴⁵, which include sites of significance to Māori.

In relation to other national direction instruments, the New Zealand Coastal Policy Statement 2010 (NZCPS) is the most directive and presents the most obvious conflict with the proposed REG policies. The jurisdiction of the NZCPS includes both the coastal marine area (territorial sea out to 12 nautical miles) and the inland coastal environment which requires local authorities to define its extent. This can range from 500m to 5km from the shoreline based on reviewing a few local authority plans, although in most cases is not likely to much further than 1km from the shoreline.

Conflicts arising from the NZCPS are at the heart of King Salmon case law, primarily as the NZCPS includes directive policy direction with “avoid” policies in relation to specific indigenous biodiversity, outstanding natural character and outstanding natural features and landscapes in the coastal environment. Although the case law has been most public regarding aquaculture activities, there are areas of New Zealand with strong renewable energy resources in the coastal environment (particularly wind), and it is an important area to consider for the appropriateness of REG projects.

As part of this consultation, we are currently not proposing for the consenting pathway to prevail over other relevant provisions in the NZCPS. The NPF to be developed under the Natural and Built Environment Act provides an opportunity to explore this in a more comprehensive and integrated manner, including through appropriate discussion with iwi/Māori given their special interest in the coastal environment.

The NPF will include national direction on infrastructure that is also enabling of REG and may be a more suitable alternative for addressing conflicts between NPS-REG and the NZCPS. We are seeking feedback on whether the consenting pathway proposed in any of the options could achieve efficient and effective practical delivery of the policy intent if broadly applied to REG activities in the coastal environment, including those currently protected by the “avoid” policies.

Options

We have identified two main options for addressing the problem identified above. These options are intended to provide a clear, nationally consistent ‘consenting pathway’ for REG projects that direct how to assess and manage interactions with and effects on areas with significant environment values.

By ‘consenting pathway’ in this context, we mean a set of requirements a REG project must undertake and meet as part of a consent application. The pathway involves gateway tests – thresholds a project must meet to progress further – and use of the effects management hierarchy (EMH), which are the collective steps a project needs to go through to manage adverse effects in a sequential manner.

⁴⁵ Wind farm development in New Zealand: A framework for best practice (2013): New Zealand Wind Energy Association

Both options involve policy direction requiring decision-makers to recognise that meeting New Zealand’s emissions reduction targets and emissions budgets requires the development of some REG projects that have unavoidable adverse effects on areas with significant environment values, and that REG needs to be provided for in appropriate circumstances, so long as environmental effects are managed as set out in the consenting pathway.

The ‘standard’ EMH (option 1) and REG-specific EMH (option 2) are set out below. The primary difference between the options is the final step (f) of the EMH, enabling the benefits and positive effects of the REG activity to be weighed against its adverse effects as further described below. Options 2A and 2B are the preferred options and are included in the proposed NPS-REG drafts released alongside the consultation.

Option 1: Standard effects management hierarchy	Option 2: REG-specific effects management hierarchy			Status quo
	Option 2A (proposed)	Option 2B (proposed)	Option 2C	
Requirement to avoid REG activities when there are more than minor residual adverse effects on any significant environment value	Requirement to avoid REG activities when there are significant residual adverse effects on any significant environment value	Requirement to avoid REG activities when there are significant residual adverse effects on SNAs	No requirement to avoid REG activities when there are significant residual adverse effects	No new provisions

Status quo

There are no provisions in the NPS-REG that direct decision-makers on managing adverse effects on significant environment values. The preamble acknowledges these interactions but provides no direction on how they should be managed:

In some instances, the benefits of renewable electricity generation can compete with matters of national importance as set out in section 6 of the Act, and with matters to which decisionmakers are required to have particular regard under section 7 of the Act. In particular, the natural resources from which electricity is generated can coincide with areas of significant natural character, significant amenity values, historic heritage, outstanding natural features and landscapes, significant indigenous vegetation and significant habitats of indigenous fauna. There can also be potential conflicts with the relationship of Māori with their taonga and the role of kaitiaki. The New Zealand Coastal Policy Statement 2010 also addresses these issues in the coastal environment. Increased national consistency in addressing the competing values associated with the development of New Zealand’s

renewable energy resources will provide greater certainty to decision-makers, applicants, and the wider community.

Section 6 of the RMA requires that areas of significant environment values are protected from inappropriate subdivision, use and development. National direction is a tool that has been used to further substantiate what this means for specific matters, but its extent of use has been variable and does not provide for all Section 6 matters.

The NZCPS (2010) provides for all significant environment values in the coastal environment. The proposed NPS-IB⁴⁶ provides for SNAs within and outside of the coastal environment.

There is no national direction to provide for outstanding natural features and landscapes outside the coastal environment, or for historic heritage. Methods to protect these matters have instead generally been developed through a combination of local authority RMA plans and case law.

The varied approach to providing for significant environment values has made it difficult to consent activities that may need to be located in these environments, particularly REG activities such as windfarms that can be highly visible and therefore may affect matters such as outstanding natural landscapes.

While there would be no new provisions to help assist conflict resolution under the status quo, it is considered that REG activities would otherwise be further enabled through more directive policy direction in other sections of Part B of this consultation document.

Option 1 – Standard effects management hierarchy

Option 1 provides a 'standard' EMH for REG projects with adverse effects on significant environment values. By 'standard', we mean an EMH used in other NPSs such as the NPS-FM, the proposed NPS-IB and that used in the NBE Bill.

This introduces the EMH approach to managing adverse effects on natural character (in the coastal environment), significant natural areas, outstanding natural features and landscapes, and areas with historic heritage (including sites of significance to Māori and wāhi tapu).

The standard EMH is used in the NPS-FM and proposed NPS-IB. The standard EMH includes steps to ensure that all practicable steps have been taken to avoid, minimise or remedy, and (if applicable) offset and compensate for those adverse effects (in that order).

Section 6 of the RMA includes matters such as natural character in the coastal environment, outstanding natural features and landscapes, and historic heritage, and requires that these matters are protected from inappropriate subdivision, use and development. Using the EMH approach for adverse effects on such areas helps to provide policy direction that REG projects may be an appropriate use and development.

What is 'appropriate' is highly context-specific and must be considered in the relation to the values that are sought to be protected. 'Appropriateness' could be assessed in terms of the capacity of the landscape to absorb the change, the significance of the resource for electricity generation, the

⁴⁶ Exposure draft, June 2022

extent of outstanding landscape coverage within the relevant district or region, and the particular landscape values that are sought to be protected.⁴⁷

Gateway tests

Three “gateway tests” based on those used in the proposed NPS-IB would need to be met prior to sequencing through the EMH to manage adverse effects:

- it provides significant national or regional public benefit; and
- there is a functional or operational need for the new use or development to be in that particular location⁴⁸; and
- there are no practicable alternative locations for the new use, or development.

Coastal environment

Option 1 relies on the provisions in the NZCPS, particularly Policies 11, 13 and 15 relating to indigenous biodiversity, natural character, and natural features and landscapes respectively. Each of these policies contain a “avoid” requirement for specific indigenous biodiversity, outstanding natural character, and outstanding natural features and landscape, which will not be affected by this option.

Each of these policies also has an “avoid significant adverse effects” requirement in relation to other indigenous biodiversity, natural character, and natural feature and landscapes. The standard EMH in Option 1 provides more specific direction to this requirement.

Indigenous biodiversity

Option 1 aligns with relevant provisions in the proposed NPS-IB including the same three gateway tests and general wording of the EMH.

Given the purpose of the standard EMH in Option 1 is that it applies to multiple significant environment values, the only notable difference is that it provides reference to relevant offsetting and compensation principles in a way that applies more broadly according on what is being managed. In some cases, this could provide greater flexibility for offsetting and compensation and how the relevant principles are to be considered and used (particularly when an activity must be avoided because offsetting or compensation is inappropriate).

The implication here is that the principles for offsetting and compensating in the proposed NPS-IB includes ‘limits’ to when offsetting and compensation are appropriate. The circumstances where offsetting and compensation are not appropriate include when the proposal would affect irreplaceable or vulnerable indigenous biodiversity; when the effects on indigenous biodiversity are uncertain, unknown, or not well understood but are potentially significantly adverse or when there

⁴⁷ *Environmental Defence Society Incorporated v The New Zealand King Salmon Company Limited & Ors* - [2014] NZSC

⁴⁸ **functional** need means the need for a proposed activity to traverse, locate or operate in a particular environment because the activity can only occur in that environment

operational need means the need for a proposal or activity to traverse, locate or operate in a particular environment because of technical, logistical, or operational characteristics or constraints

are no technically feasible options to secure the proposed gains to biodiversity within an acceptable timeframe.⁴⁹

However, as direction is noted as “have regard to any relevant principles relating to offsetting and compensation set out in any other National Policy Statement” we expect that a strong argument would be required to depart from any defined principles in other instruments, such as the proposed NPS-IB in the above example.

Outstanding natural features and landscapes, and historic heritage

For matters relating to outstanding natural features and landscape, and areas of historic heritage (including sites of significant to Māori and wāhi tapu) outside the coastal environment, there is no existing or proposed national direction that needs to be aligned with, therefore the standard EMH proposed in Option 1 is a new way of managing adverse effects in these areas.

This option includes a recognition that there are some examples where REG projects are located in landscapes with outstanding natural landscape values (for example, Project West Wind in Mākara). This provides a pathway for similar outcomes to be achieved in future, enabling the necessary increase in renewable electricity generation output to meet emissions reduction targets.

In summary, Option 1 introduces a consenting pathway for REG projects that have adverse effects on outstanding natural features and landscapes, and historic heritage outside the coastal environment. Option 1 provides further direction and standardisation for managing adverse effects on natural character in the coastal environment and SNAs (within and outside of the coastal environment).

Option 2 – REG specific effects management hierarchy

Option 2 expands on Option 1 by proposing a REG-specific EMH for consideration of REG projects with adverse effects on significant environment values. The standard EMH outlined in Option 1 is followed but with variation, described below, to be more enabling of REG projects. This option recognises that REG is a key means of mitigating the adverse effects on these values caused by climate change. However, it has three main differences – the practicable alternative locations gateway test, how offsetting is considered, and a balanced judgement on positive vs adverse effects.

Practicable alternative locations test

The practicable alternative location gateway test in Option 1 is removed. The requirement to demonstrate that there are no practicable alternative locations can be particularly challenging for REG and the removal of this test provides greater flexibility for REG activities.

Using wind and solar generation as an example, difficulties in applying this test is that the resource is widely distributed throughout New Zealand, meaning it is easy to argue there is always another ‘practicable alternative location’. Also, the scale of new generation required to meet energy and climate targets, and the role of wind and solar in meeting these targets, is expected to make it harder to find ‘practicable alternative locations’ that completely avoid areas with significant environment values over time.

⁴⁹ The reasons for these limits to biodiversity offsetting and biodiversity in the proposed NPSIB primarily relate to strong evidence on ongoing decline and evidence that offsetting and compensation do not always achieve successful outcomes in relation to indigenous biodiversity.

Further, Schedule 4 of the RMA already requires a description of any possible alternative locations or methods for undertaking any activity (including REG) if it is likely this may result in any significant adverse effects on the environment. Although this RMA requirement is not as absolute as the gateway test, it still provides for consideration of alternatives when significant adverse effects are apparent.

Possible vs practicable offsetting of more than minor residual adverse effects

The standard EMH sets out consideration of whether offsetting of more than minor residual effects is “possible”, whereas Option 2 amends this consideration to being “practicable”. This better aligns with the prior steps in the EMH and provides more flexibility by narrowing considerations to those that are practicable instead of what could be more broadly applied when considering what is possible.

Weighing of positive vs. adverse effects

Under Option 1, the application of the standard EMH essentially employs a “no more than minor adverse effects” regime in relation to its final direction on “avoiding” adverse effects, i.e. more than minor residual adverse effects must be avoided if it is not possible to offset or appropriate to compensate for adverse effects. No weighing of positive versus adverse effects is possible to overcome more than minor residual adverse effects.

Although an assessment of effects under Section 104 of the RMA already requires consent authorities to have regard to both positive and adverse effects, consideration of positive effects is constrained in the standard EMH which ends with a hard “avoid” if compensation is not appropriate at the last stage.

Option 2 does allow the weighing of positive vs. adverse effects with each variation, A, B and C, allowing this to occur to different degrees. Option 2 requires the decision-maker to account the benefits of the REG activity in reaching a final decision.

Options 2A and 2B have some specific limits on when REG activities can be enabled, by increasing the avoidance of effects threshold from “no more than minor” to “significant”. This offers further mitigation in cases where neither offsetting nor compensating may be practicable or appropriate after all other parts of the hierarchy (avoid/minimise/remedy) have been worked through. Option 2C does not have such a threshold.

The three sub-options in the final step (f):

- Option 2A requires REG activities to be avoided if the residual adverse effects on all significant environmental values are significant. For other effects, the benefits of the REG activities can be weighed against their residual adverse effects and the REG activity enabled when the benefits are greater.
- Option 2B requires REG activities to be avoided if the residual adverse effects on significant natural areas (SNAs) only are significant. For other values, the benefits of the REG activities can simply be weighed against their residual adverse effects and the REG activity enabled when the benefits are greater.

- Option 2C does not require REG activities to be avoided if the residual adverse effects on any significant environment values are significant. Instead directing a decision that the benefits of the REG activities can simply be weighed against their residual adverse effects and the REG activity enabled when the benefits are greater.

Option 2B is focussed on section 6(c) of the RMA, which requires more absolute protection of section 6 matters, compared with the wording of other values in section 6 requiring protection from 'inappropriate' subdivision, use and development.

Option 2C does not provide any specific policy direction requiring REG activities to be avoided if there are residual significant adverse effects on any areas with significant environment values (including SNAs) after applying the EMH. Instead, it provides consent authorities with direction to weigh the benefits of a REG proposal against the residual adverse effects on areas with significant environment values and provide direction for decision-makers to enable REG activities when the benefits outweigh those adverse effects.

In summary, Option 2 proposes three key changes to Option 1 –

1. removal of the practicable alternatives gateway test
2. how offsetting is considered
3. weighing of positive versus adverse effects at the final step (f) of the EMH, instead of ending in a hard "avoid".

This still allows decision-makers to decline consent when there are residual significant adverse effects on areas with significant environment values, albeit there are differing levels of discretion when determining this decision as part of the assessment.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback. As the preferred options at this stage, draft provisions for Options 2A and 2B are included in the proposed NPS-REG draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Provisions in Option 1 in *italics* are removed or amended for Option 2. Provisions in Option 2 (and sub-options 2A and 2B) in **bold** are those amended from Option 1. Options 2 and 2A are presented in the proposed NPS-REG.

Draft provisions

Policy 4: It is recognised that REG activities may need to take place in areas with significant environment values and, where adverse effects remain after applying the effects management hierarchy, REG activities are enabled if the national significance and benefits of the REG activities outweigh those remaining adverse effects.

Standard effects management hierarchy (Option 1)

1. Allow REG activities in areas with significant environment values only if:
 - a. there is an operational or functional need for REG assets to be located in the area; and
 - b. the REG activities are nationally or regionally significant; and
 - c. *there are no practicable alternative locations for the new use, or development; and*
 - d. the effects management hierarchy is applied.

2. The effects management hierarchy is as follows:
 - a. adverse effects are avoided where practicable; then
 - b. where adverse effects cannot be avoided, they are minimised where practicable; then
 - c. where adverse effects cannot be minimised, they are remedied where practicable; then
 - d. where more than minor residual adverse effects cannot be avoided, minimised, or remedied, offsetting is provided where practicable; then
 - e. if offsetting of more than minor residual adverse effects is not *possible*, compensation is provided; then
 - f. if compensation is not appropriate to address any residual adverse effects, *the activity itself is avoided*.

3. When considering offsetting and compensation, decision-makers must have regard to any relevant principles relating to offsetting and compensation set out in any other National Policy Statement or, if there are no relevant principles in a National Policy Statement, any other nationally or internationally recognised principles.

REG specific effects management hierarchy (Option 2A)

1. Allow REG activities in areas with significant environment values only if:
 - a. there is an operational or functional need for REG assets to be located in the area; and
 - b. the REG activities are nationally or regionally significant; and
 - c. the effects management hierarchy is applied.

2. The effects management hierarchy is as follows:
 - a. adverse effects are avoided where practicable; then
 - b. where adverse effects cannot be avoided, they are minimised where practicable; then
 - c. where adverse effects cannot be minimised, they are remedied where practicable; then
 - d. where more than minor residual adverse effects cannot be avoided, minimised, or remedied, offsetting is provided where practicable; then
 - e. if offsetting of more than minor residual adverse effects is not **practicable**, compensation is provided; then
 - f. if compensation is not appropriate to address any residual adverse effects:
 - i. **the REG activities must be avoided if the residual adverse effects are significant; but**
 - ii. **REG activities must be enabled if the national significance and benefits of the REG activities outweigh the residual adverse effects.**

3. When considering offsetting and compensation, decision-makers must have regard to any relevant principles relating to offsetting and compensation set out in any other National Policy Statement or, if there are no relevant principles in a National Policy Statement, any other nationally or internationally recognised principles.

Option 2B

- f. if compensation is not appropriate to address any residual adverse effects:
- i. **in the case of REG activities with adverse effects on SNAs, the REG activity must be avoided if the residual adverse effects are significant; but**
 - ii. **REG activities must be enabled if the national significance and benefits of the REG activities outweigh the residual adverse effects.**

Option 2C

- f. if compensation is not appropriate to address any residual adverse effects, **REG activities must be enabled if the national significance and benefits of the REG activities outweigh the residual adverse effects.**

Assessment of options

Effectiveness to support targets

All options would be more effective to support targets than the status quo, with strength in how well they enable REG activities increasing from Option 1 to Option 2C. The key limitation for supporting targets in all options is that we are not proposing any amendments to the “avoid” policies in the NZCPS, therefore such areas are likely to remain more challenging areas for the purpose of REG activities.

Option 1 will be effective in addressing the issues identified in relation to outstanding natural features and landscapes (outside of the coastal environment) and areas of historic heritage by introducing a consenting pathway to deal with any interactions from proposed REG activities. This may assist some terrestrial wind farm projects outside of the coastal area, particularly their visual effects if located near or in outstanding landscapes.

Allowing the weighing of benefits and adverse effects in Option 2 best addresses the ‘overall broad judgement’ issue which resulted from the *King Salmon* decision discussed in Section 1, not made possible under Option 1, while also providing a clear policy framework and effects management hierarchy to weight benefits and residual adverse effects. Option 2 provides the most balanced approach by allowing some weighing of benefits against adverse effects, with direction to avoid significant effects – and is considered to further contribute to supporting emissions reduction and energy targets.

Environmental outcomes

While it is important for developers to seek to manage impacts on significant environment values, REG activities by their nature can often not practicably avoid these areas and are different from other forms of infrastructure that are generally located close to or connect urban areas. Because of this, it is plausible that many REG activities would be declined (or not put forward due to low likelihood of success) under the status quo.

The gateway tests for all options offer initial protection for areas with significant environment values. Projects that cannot meet these tests will be unlikely to be able to locate in these environments, thus avoiding effects in these areas.

Option 1 provides for the greatest levels of environmental protection for areas with significant environment value, due to its alignment and consistency with the NZCPS and proposed NPSIB. Option 2 seeks to recognise that addressing adverse climate change effects through REG deployments can indirectly protect environmental values such as indigenous biodiversity and outstanding natural landscapes. Therefore, a more enabling pathway for REG activities compared to other specified infrastructure should be considered.

While being less protective than Option 1, Option 2 still provides a robust and consistent approach to managing environmental effects. Adverse effects must be managed in accordance with a sequential hierarchy that prioritises avoidance of adverse effects in the first instance. The intent of the modifications is to provide a pathway for REG activities to be considered after applying the hierarchy. It is only when dealing with residual effects after that whole process, that a weighting exercise is applied. The residual weighting of effects against benefits reflects case-specific importance and effects of REG and reducing New Zealand's GHG emissions.

Option 2A has greater environmental protections built in than Option 2B and 2C, requiring significant adverse effects to be avoided on all areas with significant environment values, as opposed to only on SNAs (option 2B), or none (option 2C).

Te Tiriti o Waitangi

The existing NPS-REG does not provide direction on how to resolve interactions and potential tensions between the national significance and benefits of REG activities and the protection of historic heritage including for sites of significance and wāhi tapu. All options add more explicit direction to give particular consideration to the protection of historic heritage.

Options 1 and 2A is considered most consistent with the principles of te Tiriti o Waitangi and Part 2 of the RMA, compared to the status quo where no direction is provided. Although Options 2B and 2C do not provide any extra protection for significant adverse effects on historic heritage in the final step of the EMH, this policy direction will also need to be considered alongside the direction for Māori interests in Section 4 of Part B. This requires that sites of significance to Māori are dealt with in a way that provides for the significance of the site. In addition, these options still allow an REG activity to be avoided when there are significant adverse effects.

Consenting efficiency and certainty

All three options provide more certainty than the status quo for iwi/Māori, local authorities, and developers regarding how effects should be managed in relation to significant environment values. Option 1 will increase certainty for developers and local authorities to direct development away from these areas. By providing a streamlined consenting pathway approach for REG activities, this will reduce the need for consent applicants to "sift through" and interpret multiple different provisions across multiple instruments for each type of effect. This provides more certainty in the consenting process as with the consenting outcome.

Overall assessment

All options will improve the consenting process for REG projects that impact on significant environment values. Option 1 provides greater certainty to direct development away from areas

with significant environment values and provides some enabling direction for REG in relation to landscapes outside the coast and historic heritage. However, there is a risk it may not be effective to support the required increase in REG. Option 2 will be more effective to support emission reduction and energy targets and improve consenting efficiency by proposing a more enabling REG specific EMH while ensuring significant adverse effects on significant environment values are avoided (to various degrees as provided in the sub-options 2B and 2C). Option 2C will most effectively support emission reduction targets but creates greater potential for significant adverse effects on significant environment values and therefore risk increased litigation in final consent decisions.

Table 6: Assessment of options.

Criteria	Status quo	Option 1	Option 2A	Option 2B	Option 2C
Effectiveness to support targets	0	0	+	++	++
Environmental outcomes	0	++	++	+	x
Te Tiriti o Waitangi	0	+	+	0	0
Consenting efficiency and certainty	0	+	+	+	+
Overall assessment	0	+	++	++	+

2. Enabling renewable electricity generation in areas with significant environmental values

- 2.1. To what extent do you agree with the problem statement for this section?
- 2.2. Are you aware of specific problems with the assessment of alternatives through consenting processes under the RMA? Is there a way to specify how practicable alternatives should be assessed? How could the assessment be locationally constrained (for example, within a region or district; or within a specific distance from the proposed point of connection)?
- 2.3. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?
- 2.4. Please rank the options in order of preference (Option 1, Option 2A, Option 2B, Option 2C or status quo).
- 2.5. In your view, does the effects management hierarchy for REG in option 2 work for all significant environment values?
- 2.6. To what extent do you agree that the terrestrial coastal area should be a key area for future REG development potential?
- 2.7. To what extent do you agree that the New Zealand Coastal Policy Statement poses particular challenges for consenting REG activities onshore in the coastal environment?
- 2.8. Please provide any evidence or examples to support your view.
- 2.9. Please provide any comments about this section.

Section 3: Enabling renewable electricity generation in other areas including where there are effects on local amenity values

Problem statement

Under the RMA, decision-makers are required to have particular regard to⁵⁰ maintaining and enhancing amenity values⁵¹. RMA plans typically include policies that give effect to that requirement, especially in rural areas where REG such as wind and solar is often located.

There is a risk that plan provisions giving effect to that requirement are interpreted to mean that any change to the status quo might be seen as an adverse effect on amenity values. The public nature of large-scale generation projects means these can attract significant opposition based on adverse effects on amenity values.

The preamble of the NPS-REG recognises the potential for renewable electricity generation activities to ‘coincide’ with areas that have ‘significant amenity values’, but that policy statement does not include any provisions to help resolve any conflict. This falls short of the direction recommended by the Board of Inquiry on an earlier version of the NPS-REG in March 2010. The Board stated: “*When addressing local environmental values, the national significance of the proposed REG activity and its benefits should be given greater weight than the adverse effects on the amenity values of the proposed site and surrounding area.*”

Currently greater weight can be afforded to amenity values than the benefits and national significance of REG because of the relative strength of the wording on these issues in plans.

Options

Option 1 (proposed)	Status quo
In areas that are not areas with significant environment values, enable REG activities provided any adverse effects on the values of those areas, including on local amenity values, are avoided, remedied, or mitigated to the extent practicable	No provisions

or

⁵⁰ Section 7(c) of the Resource Management Act.

⁵¹ Defined in the RMA as those natural or physical qualities and characteristics of an area that contribute to people’s appreciation of its pleasantness, aesthetic coherence, and cultural and recreational attributes. We are seeking feedback in the questions on whether amenity values sufficiently captures the key local adverse effects associated with REG projects (i.e. excluding significant natural values and Māori interests addressed by other policies).

Status quo

As outlined in Section 2, there are no provisions in the NPS-REG that direct decision-makers on this issue. The preamble acknowledges these interactions but provides no direction on how they should be managed.

Option 1 (proposed)

The proposal seeks to provide a more consistent and more certain outcome for REG projects where these affect local amenity values to better reflect the national significance of, and priority for, these projects in RMA decision-making. This would be achieved through new policy direction in the NPS-REG to:

- Require decision-makers to prioritise the national significance of REG over local amenity values where it is not practicable to avoid adverse effects on local amenity values and unavoidable effects are 'minimised where practicable'.
- Demonstrate that changes in local amenity from REG projects in both urban and rural environments:
 - May detract from local amenity values appreciated by some people but may result in positive visual effects for other people;
 - Have wider benefits to the well-being of people and communities, including future generations; and
 - Are not, of themselves, an adverse effect⁵².
- Achieve more consistent understanding and application of nationally accepted standards (e.g., NZS 6808:2010 Acoustics - Wind farm noise) and best practice (siting, design, mitigation etc.) when considering and managing adverse effects of REG projects. Best practice guidance for REG projects is discussed further in Part E of this document.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the relevant parts of the proposed NPS-REG draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

⁵² This policy direction is consistent with Policy 6(b) of the NPS-UD.

Table 7: Draft provisions for the proposal.

Draft provisions

Policy 5: In areas that are not areas with significant environment values, REG activities are enabled provided any adverse effects on the values of those areas, including on local amenity values, are avoided, remedied, or mitigated to the extent practicable.

3.7 Managing effects of REG activities that are not in areas with significant environment values

(1) In relation to areas that are not areas with significant environment values, decision-makers must enable REG activities but must avoid, remedy, or mitigate adverse effects of the REG activities on the values of the area, including any local amenity values, to the extent practicable.

(2) When considering changes in local amenity values from REG activities, decision-makers must recognise that changes in amenity values are not, of themselves, an adverse effect, and that:

(a) changes that may detract from local amenity values appreciated by some people may result in amenity values appreciated by other people; and

(b) the changes are likely to have wider benefits to the wellbeing of people and communities, including future generations.

Assessment

Effectiveness to support targets

Clarification that the national significance of REG is prioritised over local amenity values where there is conflict as REG supports reductions in emissions and the accelerated electrification of the economy. This aligns with the ERP and the Government’s priorities more closely than the status quo. This option will therefore more effectively address the issues identified in the current NPS-REG.

Environmental outcomes

The clearer prioritisation of REG over amenity values will provide environmental benefits now and in our future by increasing REG projects in areas with amenity values, relieving pressure on sites with significant natural environment values. REG projects will still need to mitigate effects on amenity to a practicable extent ensuring projects are well sited and designed.

Te Tiriti o Waitangi

The intent is that this proposal will not adversely affect existing protections for Māori interests and sites of significance to tangata whenua. The proposal seeks to strengthen policy direction for REG without undermining existing provisions and protections for Māori interests. Separate proposals

further in this consultation document will address sites valued for their amenity that also provide for Māori interests.

Consenting efficiency and certainty

The proposal will provide more clarity and certainty for applicants and councils in relation to the prioritisation of REG over amenity values. By contrast, retaining the status quo risks entrenching barriers to the increased scale of REG development needed to meet emissions reduction budgets and targets.

Overall assessment

The proposal provides clear direction that the national significance of REG takes priority over local amenity values where there is a conflict, while still ensuring that adverse effects on amenity values are mitigated where practicable.

The proposal would therefore address existing problems while ensuring that adverse effects on local amenity values are not ignored completely. That would ensure that the policy change would not result in bad practices and significant adverse effects on surrounding properties.

Retaining the status quo would not resolve the current problems we have identified.

Overall, the preferred option is considered to be better than the status quo as it provides greater clarity regarding the legal weighting of REG in relation to amenity values in planning decisions.

Table 8: Assessment of options.

Criteria	Status quo	Option 1 (proposed)
Effectiveness to support targets	0	+
Environmental outcomes	0	+
Te Tiriti o Waitangi	0	0
Consenting efficiency and certainty	0	+
Overall assessment	0	+

3. Enabling renewable electricity generation in other areas, including areas with amenity values

- 3.1. To what extent do you agree with the problem statement for this section?
- 3.2. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?
- 3.3. Please provide any evidence or examples to support your view.
- 3.4. Please provide any comments about this section.

Section 4: Recognising and providing for Māori interests

The principles of Te Tiriti o Waitangi impose on the Crown a positive duty to protect Māori property interests and taonga. As part of the Crown, the Ministry for Business, Innovation and Employment and the MfE therefore have a duty to ensure that any amendments to resource management policies on REG and ET are consistent with the principles of Te Tiriti.

Sections 2 (in relation to REG) and 10 (in relation to ET) focus on how REG and ET activities should be considered alongside the protection of historic heritage including wahi tapu and sites of significance to Māori from inappropriate subdivision, use and development.

Problem statement

The current NPS-REG and NPS-ET do not refer to the principles of Te Tiriti o te Waitangi or Te Ao Māori. There is also no direction in those NPS on how to resolve interactions and potential tensions between the national significance and benefits of REG and ET activities, the relationship of Māori with their ancestral lands, sites and other taonga, and the protection of historic heritage from inappropriate development.

This contrasts with more recent national directions under the Resource Management Act. These usually refers specifically to engaging with tangata whenua and to providing for the kaitiaki role of tangata whenua and Māori cultural value, in addition to providing for other RMA matters of national importance.

The importance of recognising and providing for Māori interests under the RMA is outlined in the following sections of that Act:

- a. Section 6(e) - Recognise and provide for the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, wāhi tapu, and other taonga as a matter of national importance;
- b. Section 6(g) - Recognise and provide for the protection of protected customary rights as a matter of national importance;
- c. Section 7(a) – Have particular regard to kaitiakitanga⁵³
- d. Section 8 – Take into account the principles of the Treaty of Waitangi.

Amendments to the NPS-REG and NPS-ET to better enable REG and ET projects are intended to ensure they don't undermine existing provisions and protections for historical and cultural values in other national directions under the RMA, in lower order plans, and in consenting processes.

⁵³ Defined as meaning the exercise of guardianship by the tangata whenua of an area in accordance with tikanga Maori in relation to natural and physical resources; and includes the ethic of stewardship

Options

Option 1 (proposed)	Status quo
Introduce policy direction to recognise and provide for Māori interests in relation to REG and ET activities, including through early engagement, protection of sites of significance, and enabling small/community scale REG	or No provisions

Status quo

As outlined in Section 2 and in the problem statement above, the current NPS-REG does not refer to the principles of te Tiriti o Waitangi or te Ao Māori. There is also no direction in those NPS on how to resolve interactions and potential tensions between the national significance and benefits of REG and ET activities, the relationship of Māori with their ancestral lands, sites and other taonga.

These options aim to clarify and provide for the management of adverse effects from REG and ET projects on Māori interests.

Option 1 Introduce policy direction to recognise and provide for Māori interests (proposed)

The proposal seeks to provide a more consistent and more certain consenting process for REG and ET projects that affect Māori interests. The intent of the proposal is to:

- Consider opportunities for early, meaningful engagement with tangata whenua.
- Ensure activities on or near sites of significance to tangata whenua are undertaken in an appropriate manner.
- Enable small and community scale REG to provide for Māori aspirations.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the relevant parts of the proposed NPS-REG draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Table 9: Draft provisions for the proposal

Draft provisions
<p>Policy 3: Māori interests in relation to REG activities are recognised and provided for, including through early engagement, protection of sites of significance, and through enabling small and community-scale REG activities.</p> <p>3.5 Recognising and providing for Māori interests in relation to REG activities</p> <p>When making decisions about REG activities, recognise and provide for Māori interests, including through:</p> <ul style="list-style-type: none"> (a) early engagement with tangata whenua in a way that is meaningful and, as far as practicable, in accordance with tikanga Māori; and (b) ensuring that REG activities on or near sites of significance to tangata whenua (including wahi tapu) are undertaken in a way that provides for the significance of the sites; and (c) supporting tangata whenua to realise their aspirations by enabling small and community-scale REG activities.

Assessment

Effectiveness to support targets

Amendments to the NPS-REG and NPS-ET will need to be designed to ensure they do not undermine existing provisions and protections for Māori interests in national direction, lower order plans, and consenting processes. Option 1 supports meeting NZ's renewable electricity and emissions reduction targets in a way that meets the principles of te Tiriti o Waitangi and Part 2 of the RMA.

Environmental outcomes

The option seeks to provide a more consistent and certain consenting process in relation to REG and ET projects where these impact on historical and cultural values. Option 1 provides specifically for special consideration of Māori interests, which may also overlap environmental outcomes.

Te Tiriti o Waitangi

The NPS-REG and NPS-ET do not reference the principles of te Tiriti o Waitangi or te Ao Māori. The proposal seeks to add more explicit direction that is consistent with the principles of te Tiriti o Waitangi and Part 2 of the RMA, compared to the status quo where these relationships and obligations are not referenced.

Consenting efficiency and certainty

As the proposal is adding explicit direction compared to the status quo, it will provide consenting efficiencies and certainty for iwi/Māori, local authorities, and developers in how to manage adverse effects on Māori interests, and for increased consideration of early engagement opportunities and acknowledgement of tangata whenua as kaitiaki.

Overall assessment

Option 1 is considered to be better than the status quo as it provides explicit direction and consideration of how to address potential adverse effects on Māori interests. The status quo in terms of the existing policy direction in the NPS-REG and NPS-ET provides no such direction.

Table 10: Assessment of options.

Criteria	Status quo	Option 1 (proposed)
Effectiveness to support targets	0	+
Environmental outcomes	0	+
Te Tiriti o Waitangi	0	+
Consenting efficiency and certainty	0	+
Overall assessment	0	+

4. Recognising and providing for Māori interests in relation to REG activities

- 4.1. To what extent do you agree with the problem statement for this section?
- 4.2. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?
- 4.3. Please provide any evidence or examples to support your view.
- 4.4. Please provide any comments about this section.

Section 5: Upgrading and repowering existing wind and solar generation

This section discusses options for improved policy direction in the NPS-REG and a new NES for upgrading and repowering existing REG, with the preferred options focusing specifically on wind and solar repowering.

Key terms ‘upgrading’, and ‘repowering’ are used in the following ways:

- **‘Upgrading’** refers to increasing the output of existing REG activities through changes in technology and infrastructure.
- **‘Repowering’** is a specific type of upgrade that involves comprehensively replacing generation components with new ones – for example, replacing all the turbines at a wind farm at the end of its operational life⁵³. Repowering is typically associated with wind generation but will also be relevant for solar farms as more of them are developed.

The nature and scale of an upgrade depends on the type of generation, the technology, and how the asset is managed. Some upgrading projects can increase output without a noticeable difference in the scale and nature of the effects on the surrounding environment. More substantial upgrades can significantly change the nature or increase the scale of the infrastructure and therefore of its environmental effects.

Problem statement

The upgrading of existing generation sites provides an opportunity to increase generation output efficiently using the existing infrastructure within the same or similar environmental footprint. This will generally result in fewer significant adverse environmental effects than developing a new REG site and activity (for example, replacing existing wind turbines with a smaller number of larger ones within the existing footprint compared to building and establishing a new wind farm).

The existing policy direction in the NPS-REG on the benefits of upgrading existing renewable electricity generation capacity is relatively weak. This policy direction has generally not resulted in comprehensive or enabling provisions for upgrading existing REG activities in regional and district plans.⁵⁴

By 2028, generators will need to consider repowering many of their existing windfarms, given the age and lifespan of some of the components that have been installed. However, industry has raised concerns that, because repowering activities are typically not recognised or specifically enabled in plans, decision makers will treat these applications as brand-new activities and not adequately recognise the benefits and efficiencies of upgrading.

Because this is an emerging issue there is not a strong evidence base of an existing problem. However, there is an opportunity now to provide for upgrades that are expected to be needed during the RM reform transition and that will support increased generation with lesser environmental effects than would result from new developments.

⁵⁴ Upgrading existing sites is not consistently provided for or enabled in plans, and repowering activities are not provided for in most plans, as evidenced by a review of a sample of regional and district plans undertaken by 4Sight Consulting on behalf of MBIE.

Options

Option 1 (proposed)	and	Option 2 (proposed)	or	Status quo
Strengthen policy direction to recognise the importance of maintaining existing generation output and to enable the upgrading and repowering of wind and solar generation activities		Nationally consistent rules for upgrading or repowering wind and solar generation		Existing NPS REG provisions No national environment standard

Status quo

The existing policy direction in the NPS-REG on the benefits of upgrading existing renewable electricity generation capacity is relatively weak.

- Policy C1(b) of the NPS-REG requires decision-makers to *‘have particular regard to’* practical constraints, including the *“logistical or technical practicalities associated with developing, upgrading, operating or maintaining the renewable electricity generation activity”*.
- Policies E1, E2, E3, E4 and F state that regional policy statements, regional plans and district plans must incorporate *“objectives, policies and methods (including rules within plans)”* to enable renewable electricity generation activities for all different types of generation (including upgrading) *“to the extent applicable in the region or district”*.

There is no national environmental standard relating to upgrading and repowering of renewable electricity generation activities.

Options 1 and 2 are proposed to achieve the policy objectives.

Option 1 (proposed) – policy direction on upgrading and repowering wind and solar generation

The first preferred option (proposal) is to provide stronger, more specific policies and implementation requirements in the NPS-REG to recognise the importance of maintaining existing generation output and the benefits of upgrading, as well as of repowering wind and solar generation. This is intended to achieve:

- more consistent, efficient, and certain consenting processes for upgrading and repowering REG activities, including the repowering of wind and solar generation.
- greater recognition in RMA decision-making of the efficiencies and potential environmental benefits from increasing the generation capacity and output of existing REG activities.

These provisions could also apply to existing unimplemented REG consents. This would need to be limited to unimplemented consents as of the date that the amended national direction comes into effect, to avoid creating an incentive for projects to be immediately upgraded once resource consent is granted. For the same reason, this would not apply to new consents after the amended national

direction comes into force. This option could be limited to unimplemented wind farms consents and be achieved through defining 'existing REG activity' to include unimplemented wind farm consents at the date when the amended direction comes into effect⁵⁵.

This policy would sit alongside all other policies (including those relating to interactions with and impacts on Māori interests, natural environment values and local amenity values).

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the relevant parts of the proposed NPS-REG draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Table 11: Draft provisions for the proposal.

Draft provisions
<p>Policy 9: The timely and efficient upgrade and repowering of existing wind and solar REG assets is enabled.</p>
<p>3.9 Upgrading and repowering solar and wind REG assets</p> <p>(1) Decision-makers must enable the timely and efficient upgrade and repowering of solar and wind-powered REG assets.</p> <p>(2) When making decisions relating to the upgrade or repowering of solar and wind-powered REG assets, decision-makers must:</p> <p>(a) have particular regard to the efficiencies and environmental benefits of increasing renewable electricity output within the same or a similar environmental footprint; and</p> <p>(b) consider only the additional adverse effects on the environment of the upgrade or repowering (and not any adverse effects from the existing consented activities).</p>

Option 2 (proposed) – rules and standards on upgrading and repowering wind and solar generation

The environmental effects of upgrades can vary significantly depending on the scale, type of generation, type of upgrade, and location, from a minor upgrade through to a comprehensive repowering of a site. Therefore, a range of rules and supporting standards would be needed to ensure the approach is not too permissive or too restrictive. The NES would allow plan rules to be more lenient but not more stringent.

An indicative rule framework is as follows:

⁵⁵ Industry feedback has highlighted issues for older consented wind farms with unimplemented consents. When older consents come to be implemented, developers are finding that the technology has moved on and the consented turbine height may no longer be readily available. As a result, consent conditions have had to be amended before construction begins to allow for the available newer technologies, which inevitably involve higher turbines than the ones that were consented.

- **Minor upgrade** – The upgrade would be a permitted activity that must comply with standards that limit its scale (for example, no more than a 10% height increase for structures).
- **Intermediate upgrade** – The upgrade would be a controlled activity that must comply with certain standards (for example, up to a 25% height increase for structures). The ability to impose conditions would be limited to clearly defined issues (for example, construction management, decommissioning, bulk, height and location, mitigation, setbacks to boundaries, and sensitive environments).
- **Major upgrade/repowering** – The project would be a restricted discretionary activity that may be approved or declined. ‘Major’ upgrades would be defined as those that significantly change the scale and location of the existing asset (for example, a significant increase in the height of the wind turbines or the comprehensive repowering of a wind or solar farm). Comprehensive repowering and upgrade of wind farm activities is expected under the RMA over the next 10 years, but this is less likely for large-scale solar facilities, which are only just being consented and built in New Zealand. Repowering of existing wind farms has the potential to significantly increase generation output with a significantly lower overall environmental footprint compared to new wind farms.

Table 13 below sets out possible thresholds, standards and matters of discretion for those three categories of rules for upgrading and repowering existing wind and solar generation assets – permitted (minor), controlled (intermediate) and restricted discretionary (major). These standards are intended to be reasonably straightforward and limited to key matters, but we are seeking feedback below on whether other suitable standards should be considered.

The rules and standards focus on upgrading wind and solar generation as the effects from these activities are comparatively low and well-known and can generally be effectively managed through standards and consent conditions.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the proposed NPS-REG draft released alongside this consultation document that are relevant to this section. Following this feedback, the provisions would be drafted as regulations and would be subject to a further exposure draft consultation.

Table 12: Draft provisions for the proposal.

Minor upgrade – permitted activity standards	Intermediate upgrade – controlled activity standards
<ol style="list-style-type: none"> 1. The proposed upgrade does not result in more than a 10% increase in the: <ol style="list-style-type: none"> a. Original development footprint; and b. Site coverage; and c. Height of existing structures and buildings 2. That the boundary setback is equivalent to the maximum height of any new structure or building. 3. Compliance with any relevant national standards including NZS 6803:1999 Acoustics (construction noise) and NZS6808:2010 (wind farm noise). 4. Any change in the footprint of the activities must be located outside of mapped areas of natural environment values (natural character, outstanding natural landscape and features, significant natural areas) and historical and cultural values (archaeological, heritage, Māori sites of cultural significance). 5. For solar farm extensions, existing vegetation or new planting must be included along the site boundaries to screen the upgrade area from the road and adjacent properties, and the land must have a slope of less than ten degrees. 	<ol style="list-style-type: none"> i. The upgrade proposed upgrade does not result in more than a 25% increase in the: <ol style="list-style-type: none"> a. Original development footprint; and b. Site coverage; and c. Height of existing structures and buildings. ii. That the boundary setback is equivalent to the maximum height of any new structure or building. ii. Compliance with any relevant national standards including NZS 6803:1999 Acoustics (construction noise) and NZS6808:2010 (wind farm noise). v. Any change in the footprint of the activities must be located outside of mapped areas of natural environment values (natural character, outstanding natural landscape and features, significant natural areas) and historical and cultural values (archaeological, heritage, Māori sites of cultural significance). v. For solar farm extensions, existing vegetation or new planting must be included along the site boundaries where practical to screen the upgrade area from the road and adjacent properties, and the land must have a slope of less than ten degrees.
Major upgrades and repowering of wind and solar – Restricted discretionary activities: matters of discretion	
<ol style="list-style-type: none"> 1. The location, scale and intensity of the activity; 2. Shadow flicker, glint or glare on adjacent properties and the surrounding environment; 3. Noise and vibration effects; 4. Functional, technical and operational need to be in that location or any practicable alternatives within the site; 5. Benefits associated with the activity, including the efficiencies of reusing existing infrastructure where practical; 6. The extent to which any adverse effects are mitigated by design and siting, colour, size of the proposal, and any screening or visual mitigation provided by existing and proposed landscaping. 	

Assessment

Effectiveness to support targets

The proposal introduces new provisions in the NPS-REG that will provide clear direction on the benefits and efficiencies of maintaining and increasing existing REG through upgrading and repowering. This will ensure that decision makers give these advantages adequate weight and consideration.

This proposal promotes efficient use of existing REG sites to help support reductions in emissions and accelerate electrification of the economy. Existing sites are likely to be proven in terms of energy resource and this track record will provide further certainty to the success of any repowered or upgrade project.

Environmental outcomes

Increasing the generation capacity on existing REG sites reduces development pressure on other areas. Although this may mean taller structures (particularly in the case of wind turbines) with increased visual effects and different profile to managing ornithology risk, overall environmental outcomes are likely to be better than the status quo due to less construction activity on sites not already developed for REG.

Te Tiriti o Waitangi

The early engagement policy for Māori interests (with associated remediation) also extends itself to this proposal for upgrading and repowering existing REG sites. This is likely to provide better opportunity for tangata whenua involvement in extending the use of existing sites.

Consenting efficiency and certainty

Clearer and more directive policy language under Option 1 (proposed) will provide greater certainty for developers and decision makers when considering existing REG sites. Option 1 will also clarify that the existing consented scheme is part of the existing baseline environment, and so confirm the scope of the information requirement for upgrade activities and ensure a nationally consistent approach. Nationally consistent standards (Option 2 and 3) will provide greater certainty for applicants and decision makers when considering existing wind and solar REG sites.

Overall assessment

Both the proposal and the status quo allow consent authorities to give full consideration to any benefits and adverse environmental effects associated with upgrades. However, the status quo does not resolve current issues and does not explicitly provide for repowering activities, which are anticipated within the transition period. The proposed policy direction will provide greater certainty for developers and decision makers through the consenting process as to the weight that should be given to these matters.

As such, it is considered to be better than the status quo as it provides greater clarity regarding consenting on existing REG sites. This will help ensure efficient use of previously tested and developed sites, whilst helping to avoid potential adverse effects on environmental, historical, and cultural values from developing new sites. The proposed NES provisions would ensure a nationally consistent framework for consenting upgrade activities, including repowering. This will simplify the consenting and decision-making process for these activities. The status quo does not include national rules or standards related to upgrading and repowering or address current issues.

Table 13: Assessment of options.

Criteria	Status quo	Option 1 (proposed)	Option 2 (proposed)
Effectiveness to support targets	0	++	++
Environmental outcomes	0	+	+
Te Tiriti o Waitangi	0	+	0
Consenting efficiency and certainty	0	+	+
Overall assessment	0	++	+

5. Upgrading and repowering wind and solar generation

5.1. To what extent do you agree with the problem statement for this section?

Questions on NPS proposal

5.2. To what extent do you agree that the NPS proposal appropriately addresses the problem and the policy objectives?

5.3. To what extent do you agree that the upgrade provisions should be extended to cover unimplemented consents as of the date the provisions come into force?

5.4. Should this apply only to wind farm consents, or are other technologies also affected?

Questions on NES proposal

5.5. To what extent do you agree that the NES proposal appropriately addresses the problem and the policy objectives?

5.6. Do you agree the NES should enable planning decisions to apply a more lenient application of the rules relating upgrading and repowering wind and solar generation?

5.7. Do you think that the indicative thresholds, standards and matters of discretion for minor, intermediate and major upgrades are generally appropriate? How can these be improved or refined?

5.8. Please provide any evidence or examples to support your view.

5.9. Please provide any comments about this section.

Section 6: Reconsenting existing hydro-generation assets

Problem statement

Hydro-generation is critical to New Zealand’s renewable electricity system, currently contributing on average 57% of the system’s capacity⁵⁶. Hydro-generation also provides important baseload generation, and hydro-generation and storage have the potential to be used more flexibly to support greater integration of other renewables. Reconsenting of existing hydro-generation assets provides an important opportunity to efficiently maintain existing generation output and assist in meeting New Zealand’s emissions targets.

There are some significant cultural concerns and historical grievances associated with existing hydro schemes and these are reflected in several Treaty Settlements, previously noted in this report. These settlements have included Crown acknowledgment of the significant impact of the construction of hydro schemes on affected iwi, with the schemes causing significant, irreversible changes in waterbodies and widespread environmental degradation with limited or no engagement with iwi.

The effects of existing hydro-schemes are also of particular concern to other communities in Aotearoa for environmental reasons, because of concerns about the water quality, ecosystem health and recreational values of affected waterbodies.

Issues relating to hydro generation and its reconsenting have been worked through in the NPS-FM 2020.

We propose considering options for reconsenting as part of the National Planning Framework and maintaining the status quo for now

It is important to recognise the national significance of hydro-generation in New Zealand in reconsenting decisions. However, there are significant issues at play with hydro-generation that must be worked through with iwi/Māori and communities.

Therefore, we do not propose to make any changes to the NPS-REG on this right now given the work done on the NPS-FM 2020 and the forthcoming work resulting from the new NBE resource allocation regime. We will consider any necessary changes through the development of the NPF. Except for hydro-generation, we are also not aware of any consenting issues arising for other REG activities from the requirements of NPS-FM and NESF.

We propose for now to retain the existing ‘Hydro-electricity resources’ policy (Policy E2) in the NPS-REG, and to retain the intent of the preamble in that policy statement relating to water allocation.

Preamble

(...)

This national policy statement does not apply to the allocation and prioritisation of freshwater as these are matters for regional councils to address in a catchment or regional context and may be subject to the development of national guidance in the future.

⁵⁶ Average over the past five years (MBIE, 2022).

(...)

POLICY E2

Regional policy statements and regional and district plans shall include objectives, policies, and methods (including rules within plans) to provide for the development, operation, maintenance, and upgrading of new and existing hydro-electricity generation activities to the extent applicable to the region or district.

6. Reconsenting existing hydro-generation

- 6.1. To what extent do you agree with the problem statement for this section?
- 6.2. To what extent do you agree with retaining the status quo for now?
- 6.3. Please provide any evidence or examples to support your view.
- 6.4. Please provide any comments about this section.

Section 7: Small and community-scale renewable electricity generation

Small and community-scale REG projects cumulatively contribute significantly to national renewable electricity generation capacity, with local and community energy initiatives generating over 500 MW⁵⁵. They increase diversity and competition in the electricity market and can provide economic and other benefits to local communities⁵⁶. There is significant interest from Māori and community groups in developing small and community-scale energy projects that make energy more affordable for their communities and make their communities more resilient and self-sufficient.

Gaining resource consent was identified as one of the key barriers to the uptake of community energy in submissions on MBIE's discussion paper, *Accelerating Renewable Energy and Energy Efficiency*.

Section 7.1. Enabling small and community-scale renewable electricity generation

Problem statement

Small and community-scale REG projects face resource consent requirements and costs that are disproportionate to the adverse effects of these projects. Resource consent requirements for these projects are often applied inconsistently, and there is a lack of effective enabling provisions in plans⁵⁷. These problems have been attributed to inadequate national direction⁵⁸ on the benefits of these small and community-scale projects and a lack of guidance (including appropriate standards).

In earlier consultation by MBIE in 2020, on the *Accelerating Renewable and Energy Efficiency* discussion document, some submitters recognised the benefits of NES to enable renewable energy projects while also noting it would need to be carefully designed to account for the wide variety of renewable energy activities and effects.

The benefits of a supporting NES for the NPS-REG were recognised back in 2010 by the Board of Inquiry:

"It would be appropriate and efficient for a NES to be developed so that there is a consistent approach to encouraging small and community-scale REG activities (including micro-generation). Barriers, which include the cost of applications for resource consents, could be reduced or removed by categorising activities as permitted, subject to performance standards".⁵⁹

The Board's preferred approach was to develop national environmental standards based on the scale and nature of the activity's environmental effects, including permitted activity rules and standards. However, a NES was not progressed.

⁵⁷ These issues are evidenced in the NPS-REG evaluation report, recent MBIE consultation and a review of plan provisions and 4Sight Consulting case studies

⁵⁸ The preamble to the NPS-REG acknowledges the "contribution of renewable electricity generation, regardless of scale, towards addressing the effects of climate change plays a vital role in the wellbeing of New Zealand, its people and the environment."

⁵⁹ Report and Recommendations of the Board of Inquiry into the Proposed National Policy Statement for Renewable Electricity Generation (March 2010), paragraph 119.

We are seeking feedback on options for introducing nationally consistent rules and standards for small and community-scale renewable electricity generation. These rules and standards could be in the form of a national environmental standard under the RMA, or of future rules in the new National Planning Framework.

Options

Option 1 (proposed)		Option 2 (proposed)		Option 3		Status quo
Strengthen the policy direction on small and community-scale renewable electricity generation	and	Nationally consistent rules for small and community-scale onshore wind and solar based on existing plan provisions	or	Permissive rules for all types of small and community-scale renewable electricity generation	or	Existing NPS-REG provisions and no NES for small and community-scale renewable electricity generation

Status quo

The NPS-REG provisions relating to small and community-scale renewable electricity generation activities are in Policy F:

POLICY F: As part of giving effect to Policies E1 to E4, regional policy statements and regional and district plans shall include objectives, policies, and methods (including rules within plans) to provide for the development, operation, maintenance and upgrading of small and community-scale distributed renewable electricity generation from any renewable energy source to the extent applicable to the region or district.

There is no national environmental standard relating to small and community-scale renewable electricity generation activities.

Two options are proposed to achieve the policy objectives.

Option 1 (proposed) - Strengthen the policy direction on small and community-scale renewable electricity generation

The proposed options below focus on strengthening the policy direction in the NPS-REG to enable small and community-scale renewable electricity generation, and focus also on amending the corresponding definition in the NPS-REG. The NES would allow plan rules to be more lenient but not more stringent.

The strengthened policy direction and implementation requirements would require planning decisions to:

- a. Enable the effective and efficient development, operation, maintenance and upgrading of small and community-scale renewable electricity generation.

- b. Recognise the significant role of small and community-scale renewable electricity generation projects in meeting New Zealand’s emissions reduction targets and budgets.
- c. Recognise and provide for the local benefits of small and community-scale renewable electricity generation. Including but not limited to security of supply, affordability, resilience, reducing greenhouse gas emissions, and providing for economic, social, and cultural well-being of communities.

The scope of REG activities would apply to all forms of REG, excluding containment hydro (i.e. damming waterways). Embedded hydro, ‘run-of-river hydro’, instream or micro-generation would be included as they have limited effects on waterways and are frequently permitted activities in district and regional plans (if they are provided for), subject to standards⁶⁰.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the relevant parts of the proposed NPS-REG draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Table 14: Draft provisions for the proposal.

Potential drafting
<p>Policy 6: Small-scale and community-scale REG activities are enabled, and adverse effects on the environment are avoided, remedied, or mitigated to the extent practicable.</p> <p>3.8 Small-scale and community-scale REG</p> <p>(1) Decision-makers must ensure that the effects on the environment (including to local amenity values) of small-scale and community-scale REG activities are avoided, remedied, and mitigated to the extent practicable.</p> <p>(2) When considering proposals for small-scale and community-scale REG activities, decision-makers must have particular regard to the benefits of those activities, including:</p> <ul style="list-style-type: none"> (a) local security of supply; and (b) energy and community resilience; and (c) the reduction and displacement of greenhouse gas emissions; and (d) providing for the economic, social, and cultural well-being of people and communities.

⁶⁰ These hydro schemes are designed within the constraints of existing water bodies and have no or very limited storage. They typically divert a proportion of the natural river (via a weir or drainage channel) and return flow back into the river downstream. Eighty-four sites with a generation potential between 1 MW and 9 MW have been identified nationally by Roaring40s for potential run-of-river development. Several of these are within land administered by the Department of Conservation.

Option 2 (proposed) – Nationally consistent rules for small and community-scale onshore wind and solar based on existing plan provisions

This option would involve nationally consistent rules for small and community-scale onshore wind and solar photovoltaic (PV) based on existing good practice and recent proposed and draft plan provisions.⁶¹

The table below provides draft rules and standards for different types of small and community-scale wind and solar generation. To recognise the different types and scales of generation, separate rules and standards are provided for:

- a. Roof-mounted wind turbines and solar generation.
- b. Free-standing small scale wind turbines and solar generation.
- c. Community scale renewable electricity generation activities.

The controlled activity standards for community-scale wind generation below include a maximum turbine height of 30m, which is generally consistent with standards set in proposed district plans⁶². This is however significantly lower than is sought by some in the industry who have indicated (in their initial feedback) that new wind technologies mean that current production is focused on higher turbines (over 100m high).

However, we do not think it is appropriate to provide for a 100m or higher turbine as a permitted or controlled activity given the likely environmental effects, particularly on surrounding properties and when viewed from sensitive viewpoints. We are therefore interested in feedback on whether it would be more effective to simply provide for community-scale wind generation as a restricted discretionary activity, subject to suitable matters of discretion.

Section 8 also outlines an option of the NES to provide for all scales, including large scale renewable electricity generation.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the proposed NPS-REG draft released alongside this consultation document that are relevant to this section. Following this feedback, the provisions would be drafted as regulations and would be subject to a further exposure draft consultation.

⁶¹ Including the proposed Wellington City District Plan, proposed Porirua District Plan, proposed Far North District Plan, draft Kaipara District Plan.

1. ⁶² For example, a sample of proposed plans reviewed include 20-30m high freestanding turbines as a permitted activity subject to standards.

Table 15: Draft provisions for the proposal.

General standards applicable to all activities		
<p>a) Compliance with NZS 6803:1999 Acoustics (construction noise).</p> <p>b) Must be located outside of mapped areas of natural environment values (natural character, outstanding natural landscape and features, significant natural areas) and historical and cultural values (archaeological, heritage, Māori sites of cultural significance).</p>		
Roof-mounted wind turbines		
All zones	<p>1. Activity status: Permitted</p> <p>The development, operation and maintenance of roof-mounted wind turbine generation activities.</p> <p>Where:</p> <p>a. The wind turbine does not exceed the permitted building height of the underlying zone by more than 3m measured vertically.</p> <p>b. The wind turbine does not exceed the permitted height in relation to boundary standard for the underlying zone by more than 1m measured vertically.</p> <p>c. The maximum rotor diameter is no more than 2.5m.</p> <p>d. There is only one roof-mounted wind turbine per site.</p> <p>e. Compliance is achieved with NZS 6808:2010 Acoustics - Wind farm noise.</p>	<p>2: Activity status when compliance not achieved: Restricted discretionary activity</p> <p>Matters of discretion where compliance not achieved:</p> <p>a. The type, scale, form and location of the wind turbine;</p> <p>b. Shadow flicker on adjacent properties and the surrounding environment;</p> <p>c. The extent to which any adverse effects are mitigated through measures such as siting, design, colour, finish;</p> <p>d. Dominance and shading effects on adjoining sites and measures to mitigate these effects;</p> <p>e. Noise and vibration effects;</p> <p>f. Cumulative effects of oversize rooftop wind turbines on the site and surrounding area;</p> <p>g. Whether there are topographical or other site constraints that make compliance with the permitted activity standards impractical.</p>
Roof-mounted solar PV generation		
All zones	<p>1. Activity status: Permitted</p> <p>The development, operation and maintenance of roof-mounted solar PV generation activities.</p> <p>Where:</p> <p>a. Any solar panel does not exceed the permitted building height for the underlying zone by more than 1m measured vertically.</p> <p>b. Any solar panel does not exceed the permitted height in relation to boundary for</p>	<p>2: Activity status when compliance not achieved: Restricted discretionary activity</p> <p>Matters of discretion where compliance not achieved:</p> <p>Matters of discretion are restricted to:</p> <p>a. The type, scale, form and location of solar panel;</p>

	the underlying zone by more than 1m measured vertically.	<p>b. Glint and glare on adjacent properties and the surrounding environment;</p> <p>c. Any bulk dominance and shading effects on adjacent properties and measures to mitigate these effects; and</p> <p>d. The extent to which any effects are mitigated, including by alternative siting, design and location.</p>
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Free-standing small-scale wind turbines

All zones (except residential)	<p>1. Activity status: Permitted</p> <p>The development, operation and maintenance of free-standing small-scale wind turbines and associated infrastructure.</p> <p>Where:</p> <ul style="list-style-type: none"> • No structure, including any attachments or turbine blades, exceed a maximum height above ground level of 20m. • Any structure is setback at least three times the height of the structure from the boundary of any other site in different ownership and any road boundary. • Compliance is achieved with NZS 6808:2010 Acoustics - Wind farm noise. • The maximum number of turbines per site: <ul style="list-style-type: none"> ○ One turbine (for sites comprising 20ha) ○ Three turbines (for site comprising more than 20ha) • Any turbine must not exceed a maximum rotor diameter of 7.2m 	<p>2: Activity status when compliance not achieved: Restricted discretionary activity</p> <p>Matters of discretion where compliance not achieved:</p> <p>Matters of discretion are restricted to:</p> <ul style="list-style-type: none"> a. The type, scale, form and location of the wind turbine and any associated infrastructure; b. Shadow flicker and glare on adjacent properties and the immediate surrounding environment; c. The extent to which any adverse effects are mitigated, including by alternative siting, design, colour, finish, or number of structures; d. Dominance and shading effects on adjoining sites and measures to mitigate these effects; and e. Visual and amenity effects on the surrounding environment; and f. Noise and vibration effects.
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Free standing small-scale solar PV generation

All zones (except residential)	<p>1. Activity status: Permitted</p> <p>The development, operation and maintenance of freestanding small scale solar PV and associated infrastructure.</p>	<p>2: Activity status when compliance not achieved: Controlled</p> <p>Matters of discretion where compliance not achieved:</p>
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	<p>Where:</p> <ul style="list-style-type: none"> No solar panel array exceeds 3m in height measured from the ground. The cumulative area of solar panels does not exceed 200m² per site. All structures are setback 10m or three times the height of the structure from the boundary of any other site in different ownership or road boundary (whichever is the greater). 	<p>Matters of discretion are limited to:</p> <ul style="list-style-type: none"> The height, size and location of the solar PV and any associated infrastructure; Glint and glare on adjacent properties and the surrounding environment; The extent to which any adverse effects are be mitigated including by alternative siting, design, colour, or landscaping; and Visual amenity and landscape effects on adjacent sites and the surrounding environment.
<p>Community-scale renewable electricity generation activities</p>		
<p>Rural Zones, Industrial Zones, Māori Purpose Zones, Commercial Zones</p>	<p>Activity status: Controlled (some site-specific effects assessment required).</p> <p>The development, operation and maintenance of community-scale renewable electricity generation activities.</p> <p>Where:</p> <p>Wind generation</p> <ul style="list-style-type: none"> No turbine structure or device, including any attachments or turbine blades, exceeds a maximum height above ground level of 30m. There are no more than three turbines on a site. Any wind generating structure is setback at least three times the height of the structure (including supporting structures) from the boundary of any other site in different ownership and any road boundary. Compliance is achieved with NZS 6808:2010 Acoustics - Wind farm noise for any proposal involving wind generation. <p>Solar PV generation</p> <ul style="list-style-type: none"> Any solar generating structure is setback at least 10m or three times the height of the structure (including supporting structures) from the boundary of any other site in different ownership or road boundary (whichever is the greater). 	<p>2: Activity status when compliance not achieved: Restricted discretionary activity</p> <p>Matters of discretion where compliance not achieved:</p> <ul style="list-style-type: none"> The location, scale and intensity of the activity; Shadow flicker, glint or glare on adjacent properties and the surrounding environment; Noise and vibration effects; Functional, technical and operational need to be in that location or any practicable alternatives within the site; The community and other benefits associated with the activity; The extent to which any adverse effects are mitigated by design and siting, colour, size of the proposal, and any screening or visual mitigation provided by existing and proposed landscaping.

	<ul style="list-style-type: none"> • All devices and supporting structures attached to land, including solar panels, cover a total area of no more than: • 1 hectare per site where there is existing boundary vegetation that screens the development when viewed from the road and adjacent properties. • 0.5 hectares per site where the development will be visible from the road or adjacent properties. <p>Matters of control are limited to:</p> <ul style="list-style-type: none"> • The location, scale and intensity of the activity; • Shadow flicker, glint and glare on adjacent properties and the surrounding environment; • Noise and vibration effects; • The extent to which any adverse effects are mitigated by design and siting, colour, size of the proposal, and any screening or visual mitigation provided by existing and proposed landscaping. 	
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Option 3: Rules for all types of small and community-scale renewable electricity generation

Option 3 is like Proposal 2 but would involve a more permissive set of nationally consistent rules and standards so that different rules could apply to different types of small and community-scale generation – including run-of-river or micro- hydro and geothermal generation.

Assessment

Effectiveness to support targets

Option 1 (proposed) promotes the importance of small and community-scale REG projects in a way that recognises their potential cumulative contribution towards helping meet emissions reduction targets. Both Option 2 (proposed) and Option 3 promote the importance of small and community-scale REG projects by streamlining the consenting approach through nationally consistent standards. This will help to meet emissions reduction targets.

Environmental outcomes

Options 1 and 2 (proposed) will help to increasing the supply of small and community-scale REG projects and will better improve the distribution of REG projects. This will also reduce pressure on the need for large scale projects where adverse environmental effects are likely to be greater due to the nature of site works required, particularly at the construction stage.

Although the status quo provides for small and community-scale REG in plans, and general REG provisions in the NPS also apply, there are no policies specifically addressing decision making in relation to these activities. Under the status quo there is no means of resolving the disproportionate

requirements and costs of consenting small and community-scale REG relative to their adverse effects. Providing specifically for these activities will also better support Māori development aspirations for renewable electricity generation.

If the proposed stronger policy direction (Option 1) to support small and community-scale generation is not advanced, then we expect that the environmental effects of renewable electricity generation could be larger overall, as national direction will be focused on larger projects that typically result in more significant environmental effects. This may also curtail the aspirations of iwi who want to develop REG, but face the disproportionate consenting requirements and costs for small and community-scale REG.

Small and community-scale REG projects under Option 2 (proposed) are likely to be relatively small sized. This will help reduce the environmental footprint compared to larger projects. Option 3 would include all REG technologies including small scale geothermal and hydropower which may not be appropriate to have standards for given their reliance on freshwater and the adverse effects this could have.

Te Tiriti o Waitangi

Providing specifically for small and community-scale REG projects under all options will better support Māori development aspirations for renewable energy generation. However, as noted above, Option 3 would include all types of REG projects which may be of concern to tangata whenua due to potential impacts on freshwater due to the value and importance of freshwater to tangata whenua.

Consenting efficiency and certainty

Clearer and more directive policy language will provide greater certainty for applicants and decision makers when considering small and community-scale REG projects. Standards under Options 2 and 3 will provide even greater certainty for applicants and decision makers when developing small and community-scale REG projects.

Overall assessment

Options 1 (proposed) is considered to be better than the status quo as it provides greater clarity regarding consenting on small and community-scale REG sites. This will help increase the supply of not just larger REG projects, but also smaller schemes where benefits may be more closely seen at the community scale.

Option 2 (proposed) is considered to be better than the status quo as it provides greater clarity regarding consenting on small and community-scale REG sites, in a way that manages unintended consequences by having the standards only apply to wind and solar generation. Although Option 3 would support targets and increase consenting efficiency, on balance it is not considered an improvement on the status quo due to the potential environmental and cultural impact on being too broad in use.

Option 2 will provide an enabling rules framework for small and community-scale onshore wind and solar photovoltaic activities. This will resolve current inconsistencies in approaches to these activities nationally, and reduce the burden of consenting requirements and costs for these activities. These enabling rules framework will also better support Māori development aspirations for small and community-scale renewable electricity generation.

Nationally consistent rules for small and community-scale onshore wind and solar photovoltaic activities are appropriate because these projects typically have lesser environmental effects, and those effects can usually be managed effectively through standards and through requirements to reduce specific adverse effects. Wind and solar are also the most affordable types of small and community-scale electricity generation, and significant growth is projected for both technologies out to 2050.

Option 3 would have similar benefits as our preferred Option 2 but would be more enabling and flexible for all types and sizes of small and community-scale REG projects and therefore more effective in removing consenting and cost barriers for these types of projects.

The main risks and limitations associated with Option 2 is that the effects of geothermal and hydro-generation are much more variable and site-specific. They also involve using resources that are of significant value and importance to tangata whenua. Because of those risks and limitations, we believe it is not appropriate for now to develop national consistent, enabling rules for small and community-scale geothermal and hydro-generation.

If options to support small and community-scale generation are not advanced, then we expect that the environmental effects of renewable electricity generation will be larger overall, as national direction for REG activities will be focused on larger projects that usually have more significant environmental effects. This may also be a barrier to the aspirations of those iwi who want to develop REG, but face the disproportionate consenting requirements for small and community-scale REG.

Table 16: Assessment of options.

Criteria	Status quo (no action)	Option 1 (proposed)	Option 2 (proposed)	Option 3
Effectiveness to support targets	0	+	+	+
Environmental outcomes	0	+	+	x
Te Tiriti o Waitangi	0	+	0	x
Consenting efficiency and certainty	0	+	+	+
Overall assessment	0	+	+	0

Section 7.2: Improving the definition of ‘small and community-scale’ renewable electricity generation

Problem statement

A new definition of ‘small and community-scale distributed electricity generation’ in the NPS-REG also proposed. The current definition⁶³ is too broad and does not recognise the potentially significant difference between small-scale and community-scale generation activities regarding the scale, purpose, environmental effects, or the dynamic and interconnected nature of the electricity network it does.

The definition also unhelpfully includes ‘connecting into the distribution network’: this is inappropriate, as generation projects of various scales can connect into the distribution network where the network has capacity. The lack of specificity in the NPS-REG definition has resulted in a variety of different interpretations and definitions for small and community-scale renewable electricity generation activities in resource management plans.

Options

Option 1 (proposed)	Option 2	Status quo
Define small and community-scale REG based on the activity’s primary purpose	or Define small and community-scale REG based on the activity’s capacity (MW)	or Existing definition

Status quo

The existing NPS-REG defines small and community-scale distributed electricity generation as meaning “renewable electricity generation for the purpose of using electricity on a particular site, or supplying an immediate community, or connecting into the distribution network.”

Option 1 (proposed) – A definition based on primary purpose

We propose that new definitions of small and community-scale renewable electricity generation remove the reference to ‘connecting into the distribution network’, as this is not a defining feature of these activities.

It is preferable to have separate definitions for ‘small-scale’ and ‘community-scale’ REG, as these activities can be significantly different, and with each definition focused on the purpose of the activity. ‘Small-scale’ would be defined in terms of its primary purpose for residential or small-scale commercial on-site use. ‘Community-scale’ would be defined in terms of its primary purpose of providing electricity for collective or community benefit.

Neither definition would prevent a generation asset from connecting to the distribution network or transmission network if there was capacity.

⁶³The NPS-REG definition is “**Small and community-scale distributed electricity generation** means renewable electricity generation for the purpose of using electricity on a particular site, or supplying an immediate community, or connecting into the distribution network”.

Option 2 – A definition based on capacity (MW)

Under this option, definitions would be based on a prescribed threshold tied to generation capacity (such as 10 MW or less)⁶⁴.

Given the variation in environmental effects, definitions based on electricity capacity would need to be targeted to different types of generation to avoid the risk of unintended consequences (such as favouring certain types of generation).

Given technological improvements, there is also the risk that these size thresholds could become outdated if not updated periodically.

Basing the definitions on the purpose of the activity is preferable to basing them on generation capacity, as the effects of different renewable technologies with the same generating capacity or output vary widely.

MBIE previously consulted (in 2020) on including a capacity threshold in the definition. Feedback was mixed and noted that this might discriminate against future technologies that provide greater generation output with less harm to the environment.

A Board of Inquiry in 2010 came to the same conclusion. Its preferred approach was to remove the 4MW threshold in the definition in the NPS-REG and to instead develop national environmental standards and introduce permitted activity rules and standards, to provide a consistent approach to encouraging small and community-scale renewable electricity generation. However, this was never progressed by Government.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback and are excerpts of the proposed NPS-REG draft released alongside this consultation document that are relevant to this section.

Table 17: Draft provisions for option 1.

Potential drafting
small-scale REG means renewable electricity generation where the primary purpose is to provide electricity for on-site residential or on-site commercial use, at an individual site or landholding level.

Assessment

Effectiveness to support targets

By referencing the primary purpose of small and community-scale project, Option 1 provides flexibility in helping to meet emissions reductions targets through this scale or project. While option 2 may provide certainty based on a capacity (MW) threshold, there is no assurance that the electricity generated would help to meet the purpose of the policy.

⁶⁴ Both a 4 MW and a 10 MW threshold for small-scale renewable electricity generation were considered by a Board of Inquiry into the proposed NPS-REG in 2010.

Environmental outcomes

There is no clear difference between Options 1 and 2 in relation to environmental outcomes. Option 1 could result in larger developments than Option 2 (if a small threshold was used) that have a larger environmental footprint. Conversely if the threshold for Option 2 was too high, this could undermine environmental protections through increased argument for the need to support small and community-scale REG projects over other values.

Te Tiriti o Waitangi

Option 1 is considered to better support Māori development aspirations for renewable energy generation than Option 2, through its primary purpose needing to reflect that of a collective approach.

The proposal will address problems with the current definition, including providing separate definitions for ‘small-scale’ and ‘community-scale’ activity based on the purpose of each activity. This will make approaches to these activities more consistent nationally. The updated definitions are expected to better support the development aspirations of Māori communities for REG, as they refer to benefits for the local community and to some degree of collective ownership or management, rather than referring to the point of connection.

Consenting efficiency and certainty

Clearer definitions as proposed in both options will provide greater certainty for applicants and decision makers when considering small and community-scale REG projects.

Overall assessment

Option 1 is considered to be the best option as it is associated with the end purpose of the energy and does not rely on an arbitrary threshold that could reduce innovation in new small and community-scale REG projects.

Table 18: Assessment of options.

Criteria	Status quo (no action)	Option 1 (proposed)	Option 2
Effectiveness to support targets	0	+	+
Environmental outcomes	0	0	0
Te Tiriti o Waitangi	0	+	0
Consenting efficiency and certainty	0	+	+
Overall assessment	0	+	0

7. Small and community-scale generation

7.1. To what extent do you agree with the problem statement for this section?

Questions on NPS proposal

7.2. To what extent do you agree that the NPS proposal appropriately addresses the problem and the policy objectives?

7.3. To what extent do you agree with the proposed definitions of small-scale and community-scale renewable electricity generation activities?

7.4. To what extent do you agree that run-of-river hydro, instream hydro and micro hydro will play a role in the future electricity generation network?

Questions on NES proposal

7.5. To what extent do you agree that the NES proposal appropriately addresses the problem and the policy objectives?

7.6. Are the thresholds, standards and rules for control and discretion appropriate as set out in the draft rules? Can you suggest any improvements? Please provide evidence for your suggested changes.

7.7. Is 20m and 30m appropriate as a permitted and controlled activity standard for small and community-scale wind turbine height respectively?

7.8. Should the rules relating to small-scale free-standing and roof-mounted wind and solar apply to all zones, or should they exclude residential zones?

7.9. Do you agree the NES should enable planning decisions to apply a more lenient application of the rules relating small and community scale wind and solar generation?

7.10. Please provide any evidence or examples to support your view.

7.11. Please provide any comments about this section.

Section 8: Other issues

8.1 Nationally consistent rules for new large-scale wind and solar PV generation

A new NES-REG discussed in Sections 5 and 7 could also be broadened in scope to include nationally consistent rules for new larger-scale wind and solar PV generation. This would address current inconsistencies in and/or the lack of specific plan rules across the country and enable the amended policy direction in the NPS-REG to be more effectively implemented.

The nature and extent of effects from large scale renewable electricity projects range significantly based on a number of factors, such as the type of generation, scale, location, proximity to sensitive receiving environments, presence significant environment values. For example, the effects of a new large scale wind farm on a landscape are completely different to the effects of a hydro-generation scheme.

For these reasons, a nationally consistent set of generic rules and standards for all large-scale renewable electricity projects would be complex. However, focusing on wind and solar could be more easily achieved because the effects of these are well known, and the projected growth of REG is concentrated on these sources. In addition, stakeholder feedback is that the geothermal rule framework currently in plans appropriately provides for geothermal generation and the management of effects.

The rules could be defined in a similar way to those for small and community scale but would need to be adjusted to reflect the greater scale and intensity of environmental effects. For example, this rule would only apply outside urban zones and could involve a restricted discretionary activity status with targeted matters of discretion to cover all relevant environmental effects regardless of location.

The NES could then allow plans to be more lenient but not more stringent. This consistent rule framework combined with the strengthened policy direction in the amended NPSs has the potential to deliver significant improvements in the ability to consent these projects.

8.2 Battery storage

Problem statement

Grid-connected battery storage has emerged as an important decarbonisation technology, particularly for integrating variable renewable energy into the electricity system. However, this technology is not specifically addressed in the current national direction documents.

Battery storage will play an increasingly important role in the electricity network as a greater proportion of electricity generation is drawn from intermittent and distributed sources (that is, wind and solar) and the network relies less on conventional thermal peaking⁶⁵. Transpower estimates that 750 MW of distributed battery storage (for example, grid-connected battery energy storage systems, or 'BESS') will be established within electricity networks by 2035, increasing to 2,500 MW by 2050⁶⁶. Several BESS projects are already being investigated in New Zealand.

⁶⁵ Transpower New Zealand Limited (2020), *'Whakamana I Te Mauri Hiko - Empowering Our Energy Future'*.

⁶⁶ Ibid.

The existing definition of ‘renewable electricity generation activities’ in the NPS-REG includes ‘electricity storage technologies associated with renewable electricity’. Recent industry feedback has observed that including storage in the definition of REG activities has not led to the development of a specific enabling policy framework for including storage in plans. However, it is clear from the definition of REG activities that storage associated with renewable electricity is covered by the general policy direction for REG and that storage would be covered by the policy options set out in Part B of this consultation document.

Conversely, BESS and activities that are not associated with a generation project are not covered by the current definition of ‘renewable electricity generation activities’ in the NPS-REG. Because BESS is still an emerging technology in New Zealand, there is little evidence of any consenting difficulties for these projects. However, these activities are likely to play a significant role in the electricity network in the future and therefore there may be benefit in providing specific policy direction on electricity storage in general or on electricity storage associated with the wider electricity network.

Options

Option 1	Status quo
Amend the NPS-REG and NPS-ET to better recognise the national significance of electricity storage, including BESS connected to the electricity network	or Existing provision (inclusion in definition only)

Status quo

There are no specific provisions or policies for electricity storage though it is included in the definition of REG:

Renewable electricity generation activities means the construction, operation and maintenance of structures associated with renewable electricity generation. This includes small and community-scale distributed renewable generation activities and the system of electricity conveyance required to convey electricity to the distribution network and/or the national grid and electricity storage technologies associated with renewable electricity.

Option 1

This option would involve amendments to NPS-REG (or NPS-ET) to include enabling direction relating to electricity storage. Our view is that energy storage projects are integral to providing the system stability that is critical to the success of REG projects. Therefore, energy storage projects even if not directly linked to a REG project should be covered by the NPS-REG.

Assessment

This policy direction would clarify the national importance of electricity storage connected to the electricity network to meeting climate change and renewable electricity targets and other benefits such as network flexibility. It would also direct decision-makers to enable the development of storage provided adverse environment effects are appropriately managed through location, siting, design, and mitigation.

8.3 Lapse periods for unimplemented consents ('use it or lose it')

The Electricity Authority recently recommended that MBIE and the MfE investigate the evidence for, and merits and feasibility of, applying pro-competitive conditions on consents for renewable generation (for example, 'use-it-or-lose it' conditions)⁶⁷.

The default lapse date for resource consents under the RMA is five years. However, many wind farm applications have sought lapse dates of 10 years.

In determining an appropriate lapse date for REG consents, it is important to consider:

- a. The purpose of defining a specific lapse period and the potential impacts on accelerating quick builds and encouraging competition
- b. Whether the period should only reflect the time needed to establish large new renewable generation schemes, or whether other factors can be considered (such as market conditions)
- c. Any unintended consequences from projects that would otherwise have been built losing their consenting rights unnecessarily, which could deter applications altogether.

We are not currently proposing any options for this area, but initial feedback would be helpful.

8. Other issues

Questions on nationally-consistent rules for large-scale wind and solar generation

- 8.1. Should the NES-REG provide nationally consistent rules for large-scale wind and solar generation? If so, what is an appropriate activity status and what would be relevant matters of discretion?

Questions on battery storage

- 8.2. To what extent do you agree it is necessary to include a definition for electricity storage activities as separate from its inclusion in the definition of REG activities?
- 8.3. Are specific policies needed to support storage associated with the wider electricity network?

Questions on lapse periods for unimplemented consents

- 8.4. What do you think is an appropriate lapse period for consents for renewable electricity generation activities (3 years, 5 years, 7 years, 10 or more years)?
- 8.5. What is the expected time to start building a large wind farm or large solar farm once resource consent has been approved?
- 8.6. Please provide any evidence or examples to support your view.
- 8.7. Please provide any comments about this section.

⁶⁷ Electricity Authority (2022). Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity Issues Paper: [Long-form report \(ea.govt.nz\)](https://www.ea.govt.nz/long-form-report)

Part C: Strengthening national direction for electricity transmission

Part C of this document focuses on issues and options related to electricity transmission. In each section, we provide a high-level overview of the problem we want to address, the options we would like your feedback on, draft wording for the proposed new provisions, and finally several questions to help focus your feedback on the key issues.

The draft wording in the provisions tables in each section have been taken from the proposed NPS-ET draft released alongside this consultation document and available on MBIE's website.

This Part cross-references the discussion on issues and options in Part B relating to REG activities where relevant.

The four sections in Part C are:

- **Section 9:** Recognising and providing for the national significance of electricity transmission
- **Section 10:** Managing the environmental effects of electricity transmission activities
- **Section 11:** Amending the NES-ETA
- **Section 12:** High-voltage electricity lines not owned or operated by the national grid

The proposals and options in Part C focus on key changes to some existing NPS-ET provisions, while retaining others. The proposals in section 4 in relation to Māori interests are also proposed for the NPS-ET.

Section 9: Recognising and providing for the national significance of electricity transmission

Problem statement

The NPS-ET is out of date in important respects. It was developed before emissions reduction targets were incorporated into New Zealand law. Climate change action is now more urgent globally and domestically, and electrification of our industry and economy is the most important enabler for decarbonising New Zealand's energy system.

The NPS-ET has several limitations and gaps and does not adequately recognise the critical role of the electricity transmission network in supporting reductions in emissions.

The policy directions in Policies 7 and 8 of the NPS-ET deal with interactions with significant environmental values and amenity values and are discussed in section 10.

Several provisions of the NPS-ET are causing issues or are no longer fit-for-purpose:

- Policy 6 is resulting in pressure for underground lines when projects are upgraded, despite this being seven to 10 times the cost of overground lines. (It should be recognised, however, that underground lines may be justified in certain circumstances in order to significantly reduce adverse environmental effects.

- There is a lack of clarity in Policies 7 and 8 on the weight that should be given to the national significance and benefits of electricity transmission in RMA decision-making when managing the effects on “urban amenity” and areas with “high recreational value”.
- The standards in Policy 9 of the NPS-ET relating to managing electric and magnetic fields are out of date.
- There have been a range of implementation issues as NPS-ET provisions (specifically those relating to the national grid ‘buffer corridor’) have been inconsistently interpreted in plan development, consenting processes and court decisions, resulting in significant debate, negotiation, and costs for Transpower⁶⁸, local authorities and other parties. Some local authorities have also yet to give effect to the NPS-ET despite the requirement in the NPS-ET to do this by 2012.

Collectively, these issues need to be addressed to improve the workability of the NPS-ET as intended and enhance provision of its national significance.

Options

Option 1 (proposed)		Status quo
Stronger policy direction to recognise and provide for the national significance of the electricity transmission network	or	Existing provisions

Status quo

Policy 3: When considering measures to avoid, remedy or mitigate adverse environmental effects of transmission activities, decision-makers *must consider* the constraints imposed on achieving those measures by the technical and operational requirements of the network.

Policy 4: When considering the environmental effects of new transmission infrastructure or major upgrades of existing transmission infrastructure, decision-makers *must have regard to* the extent to which any adverse effects have been avoided, remedied, or mitigated by the route, site and method selection.

Policy 6: Substantial upgrades of transmission infrastructure should be used as an opportunity to reduce existing adverse effects of transmission, including such effects on sensitive activities where appropriate.

Option 1 (proposed)

The policy intent of the proposed amendments is to better recognise the national significance of electricity transmission through targeted improvements, which will assist in ensuring a more efficient and favourable consenting environment for Transpower. The provisions will ensure:

⁶⁸ Transpower estimates that it has spent more than \$14 million on involvement in RMA plan processes to ensure the NPS-ET is given effect to appropriately. These costs are due to the large number of RMA plans that Transpower is involved in and different interpretations of and approaches to the NPS-ET by local authorities.

- There is more specific recognition of the technical, operational, and functional needs of the electricity transmission network.
- It is more reflective of the activities and infrastructure that form part of the operation of the electricity transmission network, including access tracks associated with routine maintenance activities.
- There is greater recognition of the full range of national, regional, and local benefits associated with sustainable, secure, and efficient electricity transmission.
- Decision-makers recognise the significant linkages with NPS-REG and the need for the electricity transmission network to support a timely and significant increase in renewable electricity generation capacity.

The proposal would refine and expand the following NPS-ET provisions:

- Provide greater priority to the national significance of the electricity transmission network and enable the full range of national, regional, and local benefits associated with the national grid to be realised (amending Policy 1).
- Provide greater recognition of the dynamic and integrated nature of the renewable electricity system and the critical role of the transmission network in helping to meet New Zealand's emissions targets and budgets (amending Policy 1 or new policy).
- Recognise more specifically the technical, operational, and functional needs of the electricity transmission network (incorporating some of the preamble into clear policy direction and amending existing Policy 3).
- Retain and increase recognition of the site, route, and method selection process in avoiding and minimising the adverse effects of electricity transmission (Policy 4).
- Amend the definition of 'national grid' to be more specific about the activities and infrastructure it includes, including access associated with routine maintenance activities.
- Include new policy directions to recognise the significant linkages with NPS-REG.
- Include new policy direction managing interactions with and effects on Māori interests and protects historic heritage from inappropriate development, for the reasons outlined in Section 4 relating to the NPS-REG.

There also new and amended definitions in the proposed NPS-ET drafts we seek your feedback on.

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback, and are excerpts of the relevant parts of the proposed NPS-ET draft released alongside this consultation document. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Table 19: Draft provisions for the proposal.

Draft provisions	
2.1 Objectives	<p>The Objective of this National Policy Statement is that the electricity transmission network is developed, operated, maintained, and upgraded in an effective, efficient, and safe manner, while managing adverse effects on the environment.</p> <p>Policy 1: The benefits of the electricity transmission network are realised at a national, regional, and local level.</p> <p>Policy 2: Planning decisions:</p> <ul style="list-style-type: none"> (a) recognise and provide for the national significance of the electricity transmission network; and (b) enable ETN activities to occur in a timely and efficient way; and (c) recognise and provide for the operational and functional needs of the electricity transmission network. <p>Policy 9: Reverse sensitivity effects on ETN activities are avoided or mitigated where practicable.</p>
3.2 Consideration of national significance and benefits of electricity transmission network	<p>(1) When making decisions about ETN activities, recognise and provide for:</p> <ul style="list-style-type: none"> (a) the national significance of the electricity transmission network; and (b) the need for the electricity transmission network to be developed, operated, maintained, and upgraded, in an efficient and timely manner; and (c) the benefits of the electricity transmission network, which include all the following: <ul style="list-style-type: none"> (i) supporting reductions in greenhouse gas emissions and the accelerated electrification of the economy; (ii) facilitating the development of new renewable electricity generation; (iii) providing secure supply of electricity to communities, homes, and businesses (iv) providing for the economic, social and cultural well-being of people and communities.
3.3 Consideration of operational and functional needs of electricity transmission network	<p>(1) When considering the operational and functional needs of ETN assets to be in particular location, recognise and provide for:</p> <ul style="list-style-type: none"> (a) the need for ETN assets to transport electricity over long distances, including: <ul style="list-style-type: none"> (i) within and across urban, rural, and coastal environments; and (ii) within valued and sensitive environments; and (iii) across jurisdictional boundaries within and across regions; and

- (b) the need for the electricity transmission network to operate as an interconnected linear system across New Zealand; and
- (c) the requirement for regular maintenance and upgrading of the electricity transmission network.

3.6 Facilitating planned development of electricity transmission network

- (1) Regional councils must include objectives, policies, and methods to facilitate long-term planning for investment in ETN assets and the integration of the electricity transmission network with other land uses.
- (2) Decision-makers must recognise that the designation process can facilitate long-term planning for the operation, maintenance, upgrade, and development of the electricity transmission network.

Assessment

Effectiveness to support targets

The directiveness of the language in the proposal supports decarbonisation and the accelerated electrification of the economy, by better enabling increases in renewable electricity transmission infrastructure. This aligns with the ERP and the Government's priorities more closely than the status quo. This proposal will therefore more effectively address the issues identified in the current NPS-ET.

Environmental outcomes

While the scope of the proposal does not explicitly provide for environmental co-benefits, it does not preclude this to occur in practice through design, consenting, environmental management and implementation which is addressed through provisions in section 10. The proposal provides for positive environmental outcomes with respect to helping reduce emissions.

Te Tiriti o Waitangi

The intent is that this proposal will not adversely affect existing protections for Māori interests and sites of significance to tangata whenua. The proposal seeks to strengthen policy direction for ET without undermining existing provisions and protections for Māori interests in national direction, lower order plans and consenting processes.

Consenting efficiency and certainty

The increased specificity in the proposal regarding consenting processes will provide greater certainty for applicants and decision-makers as to the weight that should be given to ET. By contrast, retaining the status quo risks entrenching barriers to the increased scale of ET development needed to support emissions reduction budgets and targets.

Overall assessment

Overall, the preferred option is considered to be better than the status quo as it provides greater clarity regarding the legal weighting of ET in planning decisions, while retaining processes to appropriately identify and address environmental and cultural effects.

Table 20: Assessment of options.

Criteria	Status quo	Proposal (preferred option)
Effectiveness to support targets	0	+
Environmental outcomes	0	0
Te Tiriti o Waitangi	0	0
Consenting efficiency and certainty	0	+
Overall assessment	0	+

9. Recognising and providing for national significance on electricity transmission

- 9.1. To what extent do you agree with the problem statement for this section?
- 9.2. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?
- 9.3. Are there other benefits from electricity transmission activities that have not been identified?
- 9.4. Are there any relevant provisions from the existing NPS-ET that in your view should be retained?
- 9.5. Please provide any evidence or examples to support your view.
- 9.6. Please provide any comments about this section.

Section 10: Managing the environmental and amenity effects of electricity transmission

Problem statement

The NPS-ET has outdated, incomplete and unclear direction on how to manage interactions with and effects on significant natural environment values, and to a lesser extent, local amenity values.

The existing provisions in the NPS-ET for managing environmental effects of the electricity transmission network (ETN) have created several difficulties.

First, they do not adequately recognise the importance of allowing essential maintenance activities that typically have minor adverse effects.

Second, there are separate policies in the NPS-ET for considering and managing the effects of minor, major and substantial upgrades to existing ET infrastructure. These provisions are creating some inconsistent and complex consenting requirements for upgrading existing transmission infrastructure. Planning documents have also been inconsistent in giving effect to those provisions.

Third, although the direction in Policy 7 and 8 of the NPS-ET to 'minimise' and 'seek to avoid' adverse effects on certain sensitive and valued environments has helped Transpower to operate in these sensitive environments to some extent, the policies have recognised limitations. Simply testing whether efforts have been made to avoid significant effects (as directed by Policy 8) has been criticised as serving little resource management purpose if those effects will arise. This 'seek to avoid' approach is also now inconsistent with more recent effects management frameworks/hierarchies which are clearer in terms of the steps that should be taken to avoid and manage adverse effects where practicable. The policy directions in Policies 7 and 8 are incomplete in the sensitive and significant environments and values they apply to. For example, there is no mention of the coastal environment or significant natural areas.

This has created some uncertainty and inconsistent interpretations in practice. The terminology used in the two policies is also not consistent with common terms used in Part 2 of the RMA, more recent national directions, and current planning practice (for example, in relation to outstanding natural features and landscapes, and areas of outstanding natural character in the coastal environment).

Finally, related to the other issues above, other NPS are creating new effects-management requirements that trigger additional consenting processes for routine maintenance and electricity transmission upgrade activities. This is creating time pressure for when upgrades and maintenance can occur. For example, the time it takes to obtain consent reduces or closes the window for when the activity is scheduled to occur if there are seasonal or species-management timeframes involved, alongside other grid requirements such as scheduled outages.

We have split the options below into two levels: policy direction for 'minor ETN activities' and policy direction for 'ETN development activities' – both terms are defined in the NPS-ET exposure draft released alongside this consultation document and provided below.

Options in relation to minor electricity transmission activities

Option 1 (proposed)		Status quo
Allow 'minor ETN activities' without restriction - provided adverse effects are avoided or mitigated where practicable.	or	Existing provisions

Status quo

There are a number of NPS-ET policies relating to the operation, maintenance and upgrading of the ETN including policies 2 to 8 – the relevance of which will depend on the nature, scale and location of the ETN project.

Option 1 – minor ETN activities

This would involve new policy direction to:

- a. Enable minor ETN activities without restriction provided adverse effects are avoided or mitigated where practicable
- b. Enable minor ETN activities to occur in a timely and efficient way.

A new definition of 'minor ETN activities' would be included in the NPS-ET as follows: –

minor ETN activities means:

- (a) *activities required for or associated with the operation or maintenance of ETN assets; or the upgrade of, or changes to, ETN assets where the upgrade or other change:

 - (i) will have no more than minor adverse effects on the environment over time; and
 - (ii) results in the assets occupying a physical space, in any direction, that is the same as, or is not significantly greater than, the existing ETN assets; and*
- (b) *includes activities such as vegetation clearance, tree trimming, maintaining and improving access roads and tracks, and replacing structures with like-for like structures*

The policy intent is to enable minor ETN activities to occur in a timely and efficient way without restriction, while still ensuring Transpower takes appropriate steps to avoid or mitigate adverse environment effects to the extent practicable using its standard industry standards and operating procedures. Transpower has well-established industry standards and operating procedures for routine operation, maintenance and upgrade activities developed with input from ecologists and other environmental experts. This policy direction could be further supported through amendments to the NES-ETA (discussed in section 11).

Draft provisions

Table 21: Draft provisions for the proposal

Draft provisions
<p>Policy 3: Minor ETN activities are enabled.</p> <p>3.7 Minor ETN activities</p> <p>(1) Decision-makers must enable minor ETN activities to occur without restriction, except that persons undertaking minor ETN activities must avoid or mitigate adverse effects on the environment where practicable.</p>

Assessment – option for existing electricity transmission assets

Effectiveness to support targets

Option 1 will be more effective than the status quo in supporting emissions reduction targets and the accelerated electrification of the economy. Option 1 provides the certainty that routine operation, maintenance, and minor upgrade activities can be undertaken without unnecessary restriction.

Environmental outcomes

With more activities being enabled to help support existing infrastructure, it is unlikely that environmental outcomes will improve as a result from either of the options. While there is potential that the less stringent Option 1 could result in some adverse environmental outcomes. This risk is low given the typical adverse effects of the minor ETN activities provided for which can be effectively managed through industry standards and operating procedures.

Te Tiriti o Waitangi

The intent is that the options will not adversely affect existing protections for Māori interests and sites of significance to tangata whenua. Option 1 seeks to strengthen policy direction for minor ETN activities without undermining existing provisions and protections for Māori interests.

Consenting efficiency and certainty

The proposal would allow minor ETN activities to be carried out effectively without undue limitation and is likely to avoid the need for a resource consent in many cases.

Overall assessment

Overall, Option 1 is considered to be better than the status quo as it provides greater clarity regarding how to enable minor ETN activities while ensuring any adverse effects are avoided or mitigated where practicable.

Table 22: Assessment of options for existing electricity transmission assets.

Criteria	Status quo (no action)	Option 1 (proposed)
Effectiveness to support targets	0	+
Environmental outcomes	0	0
Te Tiriti o Waitangi	0	0
Consenting efficiency and certainty	0	+
Overall assessment	0	+

Options in relation to new electricity transmission projects and more than minor upgrades ('ETN development activities')

New transmission and larger upgrade projects generally have the potential for more significant adverse effects on the environment and interactions with other competing values. We therefore propose these activities are defined and a separate policy framework applies (compared to 'minor ETN activities') with the options being consistent with those outlined for REG activities in sections 2, 3 and 4 of this consultation document.

The proposed definition of ETN development activities in the NPS-ET exposure draft is as follows: –

ETN development activities means

- (a) *the construction of new ETN assets; or*
- (b) *the upgrade of, or changes to, ETN assets where the upgrade is not a minor ETN activity and will or may have more than minor adverse effects on the environment.*

Status quo

There are several existing NPS-ET policies relating to new and larger ETN upgrade projects with the following two policies of particular relevance.

- Policy 7: Planning and development of the transmission system should minimise adverse effects on urban amenity, avoid adverse effects on town centres and areas of high recreational value or amenity, and existing sensitive activities.
- Policy 8: In rural environments, planning and development of the transmission system should seek to avoid adverse effects on outstanding natural landscapes, areas of high natural character, areas of high recreation value and amenity, and existing sensitive activities.

Options

The options for ET development activities in this section are the same as the options for REG in sections 2, 3 and 4:

- enabling ET development in areas with significant environmental values (REG equivalent in section 2)
- enabling ET development in other areas (REG equivalent in section 3); and

- recognising and providing for Māori interests (REG equivalent in section 4).

Draft provisions

The draft provisions in the table below are intended to help you provide focused feedback, and are excerpts of the proposed NPS-ET draft released alongside this consultation document that are relevant to this section. We are interested in your feedback on alternative wording that might better achieve the intent behind the proposal, as explained above. The draft wording may be refined later in response to the feedback and submissions we receive.

Draft provisions

Policy 4: Māori interests in relation to ETN activities are recognised and provided for, including through early engagement and protection of sites of significance.

Policy 5: It is recognised that ETN activities may need to take place in areas with significant environment values and, where adverse effects remain after applying the effects management hierarchy, ETN activities are enabled if the national significance and benefits of the ETN activities outweigh those remaining adverse effects.

Policy 6: In areas that are not areas with significant environment values, ETN activities are enabled provided any adverse effects on the values of those areas, including on local amenity values, are avoided, remedied, or mitigated to the extent practicable.

3.4 Providing for Māori interests in relation to ETN activities

- (1) Decision-makers must be satisfied that REG activities recognise and provide for Māori interests, including through:
 - (a) early engagement with tangata whenua in a way that is meaningful and, as far as practicable, in accordance with tikanga Māori; and
 - (b) ensuring that ETN activities on or near sites of significance to tangata whenua (including wahi tapu) are undertaken in a way that provides for the significance of the sites.

3.5 Considerations for ETN development activities

- (1) When considering the environmental effects of ETN activities, decision-makers must consider the extent to which any adverse effects have been avoided, minimised, or remedied by the route, site, and method selection.

3.8 Areas with significant environment values

- (1) Allow ETN activities in areas with significant environmental values only if:
 - (a) there is an operational or functional need for the ETN assets to be located in that area; and
 - (b) the ETN activities are nationally or regionally significant; and
 - (c) the effects management hierarchy is applied.
- (2) The effects management hierarchy is as follows:
 - (a) adverse effects are avoided where practicable; then

- (b) where adverse effects cannot be avoided, they are minimised where practicable; then
- (c) where adverse effects cannot be minimised, they are remedied where practicable; then
- (d) where more than minor residual adverse effects cannot be avoided, minimised, or remedied, offsetting is provided where practicable then
- (e) if offsetting of more than minor adverse effects is not practicable, compensation is provided; then
- (f) Option 2A (same rule for all) if compensation is not appropriate to address any residual adverse effects:
 - (i) the ETN activities must be avoided if the residual adverse effects are significant; but
 - (ii) if the residual adverse effects are not significant, the ETN activities must be enabled if the national significance and benefits of the ETN activities outweigh the residual adverse effects.
- (f) Option 2B (*special rule for significant natural areas*) if compensation is not appropriate to address any residual adverse effects:
 - (i) in the case of ETN activities with adverse effects on a significant natural area:
 - (A) the ETN activities must be avoided if the residual adverse effects are significant; but
 - (B) if the residual adverse effects are not significant, the ETN activities must be enabled if the national significance and benefits of the ETN activities outweigh the residual adverse effects; and
 - (ii) in all other areas with significant environment values, the ETN activities must be enabled if the national significance and benefits of the ETN activities outweigh the residual adverse effects.”
- (3) When considering offsetting and compensation, have regard to any relevant principles relating to offsetting and compensation set out in any other National Policy Statement or, if there are no relevant principles in a National Policy Statement, any other relevant nationally or internationally recognised principles.

3.9 Areas that are not areas with significant environment values

- (1) In relation to areas that are not areas with significant environment values, enable ETN development activities provided the adverse effects of the ETN development activities on the values of the area, including any local amenity values, are avoided, remedied, or mitigated to the extent practicable.
- (2) When considering changes in local amenity values from ETN development activities, recognise that changes in amenity values are not, of themselves, an adverse effect, and that:
 - (a) changes that may detract from local amenity values appreciated by some people may result in amenity values appreciated by other people; and
 - (b) the changes are likely to have wider benefits to the wellbeing of people and communities, including future generations.

Assessment

The options update the “seek to avoid” approach in status quo with clearer effects management frameworks that are aligned with recent practice. Transpower has noted that the “seek to avoid” approach has helped them operate alongside existing policy statements such as in the coastal

environment. In other respects, the assessments and assessment tables provided in sections 2, 3 and 4 relating to REG projects also applies to these options.

10. Managing the environmental and amenity effects on electricity transmission

10.1. To what extent do you agree with the problem statement for this section?

10.2. To what extent do you agree that the New Zealand Coastal Policy Statement poses particular challenges for consenting transmission activities onshore in the coastal environment?

Questions on minor ETN activities

10.3. To what extent do you agree that the proposal appropriately addresses the problem and the policy objectives?

10.4. To what extent do you agree with the definition of minor ETN activities?

10.5. How can the proposals better provide for the operation, maintenance, and upgrade of existing transmission activities in the coastal environment?

Questions on ETN development activities

10.6. To what extent do you agree with the definition of ETN development activities?

10.7. To what extent do you agree that the options for ETN development activities should be consistent with the options for the REG in section 2 (enabling ET in areas with significant environmental values?)

10.8. Please rank the options in order of preference: [Option 1, Option 2A, Option 2B, Option 2C or status quo].

10.9. In your view, does the effects management hierarchy for ET in option 2 work for all significant environment values?

10.10. To what extent do you agree that the options for ETN development activities should be consistent with the options for the REG in section 3 (enabling ET in other areas, including areas with amenity values)?

10.11. To what extent do you agree that the options for ETN development activities should be consistent with the options for the REG in section 4 (recognising and providing for Māori interests)?

10.12. Please provide any evidence or examples to support your view.

10.13. Please provide any comments about this section.

Section 11: Amending the NES-ETA

The National Environmental Standards for Electricity Transmission Activities 2009 (**NES-ETA**) provide nationally consistent rules and standards for the operation, maintenance, upgrading, relocation, or removal of 'existing transmission lines' that were operational when the regulations came into force (14 January 2010). The NES-ETA contains rules and standards that enable the operation for a number of transmission lines (overhead and underground), and maintenance and upgrading activities to be undertaken as permitted activities, subject to compliance with permitted activity standards.

National Environmental Standards (NES) are regulations made under section 43 of the RMA. NES prescribe standards for environmental matters and can operate as plan rules to provide greater consistency and certainty in resource consent requirements nationally. NES can apply across the country or to specific areas. NES generally prevail over plan rules, except where a NES expressly states plan rules can be more stringent or lenient. Local authorities must amend their plans if any plan rule duplicates or conflicts with a provision in the NES. NES have already been prescribed for a range of activities under the RMA, including for electricity transmission activities.

Work relating to NES (amending or introducing) is subject to a subsequent exposure draft process under the RMA.

Any changes to or new NES that may be implemented under the RMA would also need to be prepared in a way that allows transition to the National Planning Framework in the future resource management system.

The NES-ETA has generally been effective in achieving its objective and is viewed by Transpower as being critical for essential transmission line maintenance and upgrade activities. The 2019 review of the NES-ETA found that the NES-ETA it is meeting its objective by:

- a. facilitating the operation, maintenance and upgrading of the existing transmission network
- b. replacing locally variable rules with a nationally consistent set of regulations for electricity transmission activities relating to existing transmission lines
- c. reducing the time and cost of resource consent processes and resulting in fewer and less complex consent requirements to approve electricity transmission projects compared to before the NES-ETA came into effect⁵³.

For Transpower, the NES-ETA provides certainty that substantial portions of projects can be carried out without having to apply for resource consents, while consent authorities can be confident that an approved process is followed to ensure potential adverse effects on the environment are avoided or appropriately managed⁵⁴.

Problem statement

While the NES-ETA is generally recognised as being effective and essential for the operation, maintenance and upgrading of the national grid, the NES-ETA evaluation report identified that it:

- Had less impact on streamlining consent processes for projects located in more sensitive areas or requiring more significant structural changes.

- May not be enabling enough to support New Zealand’s renewable electricity and emissions reduction targets.
- Could better enable routine maintenance activities with minor environmental impacts⁵⁵.

Subsequently, Transpower has identified a range of workability issues that affects definitions, regulations, and schedules. These are identified in Appendix B.

Options

Option 1 (proposed)	Option 2	Status quo
Enable activities with mainly visual effects, align with updated standards and definitions, and propose other minor alterations to definitions to improve workability	or Broader changes which would improve the operational flexibility of the National Grid, but may conflict with other values or further evidence is required on the problem and potential adverse effects	or Existing provisions

Status quo

The NES-ETA contains requirements and conditions needed to meet permitted, controlled, and restricted discretionary activity statuses. It covers the following types of activities:

- Operation of transmission lines or use of access track
- Overhead conductors, earth-wires, overhead telecommunication cables, and adding overhead circuits
- Increasing voltage or current rating, underground conductors, and undergrounding transmission lines
- Transmission line support structures: alteration, relocation, and replacement
- Temporary structures and temporary line deviation
- Transmission lines removal
- Telecommunication devices
- Signs
- Transmission line support structures: discharges from blasting and applying protective coatings
- Discharges to water
- Trimming, felling, and removing trees and vegetation
- Earthworks
- Noise and vibration from construction activity
- Other transmission activities.

Due to its length and technical nature, the provisions have not been reproduced here, but can be found on the legislation.govt.nz website as Resource Management (National Environmental Standards for Electricity Transmission Activities) Regulations 2009⁶⁹.

Option 1 – Provide a more enabling framework for activities with mainly visual effects, alignment with updated standards and definitions, and other minor alterations to definitions improve the workability of the NES-ETA (proposed)

The proposal is to make a number of improvements to the NES-ETA to:

- Provide a more enabling framework for activities with mainly visual effects
- Align the provisions with updated standards and definitions
- Make other minor alterations to improve the workability of the NES-ETA. These are primarily focused on scope, workability and improving clarity rather than significant changes to the regulations or underlying policy intent.

The changes being proposed will improve the national consistency and efficient operation of transmission activities while having little or no effect on significant environmental values. Several of the provisions include controls or restrictions that are related only to amenity or are outdated.

Updated industry guidelines and national standards

The proposal would update the conditions in regulation 10 to reflect the latest international thinking on magnetic flux density exposure and ensure electromagnetic field modelling undertaken by the national grid operator aligns with current line rating practices.

The proposal is to update the definitions of *earthworks*, *historic heritage*, *wet abrasive blasting* and *dry abrasive blasting* in the NES-ETA so that these are consistent with the definitions contained in other planning documents and plans.

The proposal would remove the permitted activity standard requirement in Regulation 33, that earthworks must not be carried out on land a local authority has identified as containing, or possibly containing, contaminants that pose a risk to the environment. These activities can be adequately addressed by applying the National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health (NESCS).

A more enabling framework for activities with mainly visual effects

Similar to the approach taken in Section 3 in regard to renewables with local amenity effects, this proposal seeks to provide a more enabling framework for transmission network maintenance and upgrade activities where the effects of the changes are limited to visual amenity effects. It is noted that existing transmission lines are defined in the NES-ETA as those which were operational as of 14th January 2010 (or which have since been altered or replaced in accordance with the NES-ETA),

⁶⁹ Resource Management (National Environmental Standards for Electricity Transmission Activities) Regulations 2009 (SR 2009/397) (as at 20 May 2014) Contents – New Zealand Legislation

and that the visual effects of these transmission activities are already well established within the local environment.

The proposal would make the following changes to regulations.

Table 23: Proposed changes to the regulations.

Regulation	Amendment
Regulation 6 Overhead conductors	Increasing the number of conductors that are permitted in the same phase, as part of the configurations of new overhead conductors, from two (duplex configuration) to four (allowing triplex and quad configurations). Amending the provision to permit the addition of overhead conductors when these are part of adding an overhead circuit.
Regulation 7 Earthwires and telco cables	Removing the restriction on the number of earth wires and telecommunication cables per transmission line support structure.
Regulation 8 Additional overhead circuits	Remove the condition requiring transmission line support structures to have been designed and built for additional circuits in order for additional circuits to be installed as a permitted activity.
Regulation 9 Overhead conductors, earthwires, telco cables and circuits	Remove regulation as the matters of discretion are limited to visual effects. Instead, these activities will be permitted activities, as covered by amended Regulations 6 to 8.
Regulation 12, 15 and 16 Underground lines, Line support structures	Removing the matter of control/restricted discretion in relation to visual effects.
Regulation 14 Line support structures	Amend the conditions to allow transmission line support structures to be increased an additional 10 percent in height than the current permitted activity standard (from 15 per cent to 25 per cent). Also allow poles to be replaced with towers and allow towers to be replaced by other replacement support structures (so long as they are within the tower envelope for permitted activities).

Other minor alterations to improve the workability of the NES-ETA

The proposal also includes other minor amendments to definitions.

Table 24: Other proposed minor amendments.

Definition	Amendment
Land	Remove and rely on the interpretation in the RMA.
National Grid	Better represent the full range of activities which are associated with operation, maintenance, upgrade and development of the transmission network used or owned by Transpower.
Temporary line deviation	Remove 'during maintenance and upgrades'.
<i>Termination structure</i>	Include 'gantry' in the definition.
<i>Transmission line</i>	Replace 'overhead or underground transmission' with 'overhead and/or underground transmission'.

Option 2 – Broader changes which would improve the operational flexibility of the national grid but may conflict with other values, or there is insufficient evidence of the problem

Option 2 makes additional changes which would apply a more permissive regulatory framework to a wider range of transmission operation and upgrade activities. This would support the improvement of the operational flexibility of the national grid by reducing consenting requirements.

However, doing so could result in adverse environmental effects or potentially have implications for landowners. These changes have not been included under Option 1, as the environmental effects of a more permissive framework are not sufficiently clear, or there is insufficient evidence that current national environmental standards are unsuitable to regulate these activities.

Several of the issues are also within the scope of the infrastructure standards for the NPF and considering these changes as part of the NPF may provide a more integrated and efficient approach to enabling the effective operation of essential infrastructure. For example, the development of an operational noise standard for transmission assets requires further detailed assessment and technical analysis, and consideration of whether it (or a similar standard) could or should apply to other classes of infrastructure as needed. The same applies to earthworks and vegetation clearance.

Increasing the permissiveness of the activity statuses (for example, from 'controlled' to 'permitted') has the potential to conflict with other values and activities, if not backed by best practice standards, guidelines, or methods to ensure effects on the environment are minimised to the extent practicable. The development of infrastructure standards for the NPF is specifically looking at how to reduce consenting requirements through permitting such activities, subject to relevant standards.

As such, amendments within Option 2 seek further feedback from stakeholders on the scientific and technical aspects of these amendments and existing information that could be used to develop suitable best practice guidelines. This feedback will enable the Government to assess whether a potential change can be addressed as a straightforward amendment to the NES-ETA in the transition period, or rather whether it is best incorporated into broader infrastructure standards for the NPF.

Potential amendments to NES-ETA which are part of Option 2 are organised into the following categories for the purposes of gathering further evidence on the problem and obtaining further information on the environmental effects of the relevant activities⁷⁰:

Category 1: Amendments to definitions which may conflict with other values or have implications for landowners.

Category 2: Amendments to definitions where there is insufficient evidence that the issue is widespread or will result in barriers to obtaining consent.

Category 3: Amendments to regulations which may conflict with other values or have implications for landowners.

Category 4: Amendments to regulations where there is insufficient evidence that the issue is widespread or will result in barriers to obtaining consent.

Table 25: Proposed amendments to definitions which may conflict with other values or have implications for landowners (including the implications of consequential amendments to the NES-ETA because of the change in definition).

Definition	Amendment
Upgrade	Replace with definitions for 'routine maintenance activities' and 'substantial/major upgrade activities'.
Natural area	Replace with a definition of 'protected areas', aligning its use in provisions with the definitions and rules in district plans.
'Base footprint' 'Base height' 'Base position' 'Base width' 'Envelope for controlled activities' 'Overland flow path'	Remove definitions, reflecting changes to the regulations.
Removing clause (2) in the interpretation section	Remove so that the reference to 'base requirements' is deleted.

⁷⁰ It is acknowledged that some potential amendments may conflict with other values or have implications for landowners as well as there being insufficient evidence of a widespread issue or barrier to obtaining consent.

Table 26: Category 2 - Amendments to definitions where there is insufficient evidence that the issue is widespread or will result in barriers to consenting transmission operation, maintenance, and upgrade activities.

Definition	Amendment
Guy wire	New definition
Transmission line	Adding 'conductors' in the definition
Pole	Amending the definition of a pole to specifically clarify that these can be made from any material

Table 27: Category 3 - Amendments to regulations which may conflict with other values or have implications for landowners.

Regulation	Amendment
New regulations to be added	<p>Introduce nationally consistent rules for the buffer corridor and protection from third parties.</p> <p>Add a new schedule to set out the requirements for indigenous vegetation trimming, felling and removal which is carried out as a permitted activity; covering initial appraisal, site assessment, bird nesting management, bat roost management, lizard management, works within 5 metres of a waterbody, works to be undertaken by an arborist, storage and stockpiling of chemicals and contaminants, effects on surrounding areas, managing debris and pre-commencement information requirements.</p>
Regulations 28, 29, and 31 Discharges to water and vegetation removal	Broaden the scope by amending the wording to the "National Grid" in place of "an existing transmission line".
Regulation 10 Increasing voltage	Align the climatic conditions with Transpower's common practice for modelling EMF (e.g., replace stated conditions, and instead state 'using conservative climactic conditions').
Regulation 14 Line support structures	<i>Regulation 14:</i> Increase the permitted footprint and height of transmission line support structures from 15 per cent to 25 per cent, and remove the condition that additional height must comply with public view shafts.
Regulation 15 Line support structures	Delete clause 15(1)(c) and clause 15(3) relating to the controlled activity envelope and repositioning more than 10m from the pole base position.

<p>Regulation 17 Temporary structures and deviations</p>	<p>Amend 17(3)(a) and 17(3)(b) so that temporary structures can be erected and removed up to 60 working days before the start/end of maintenance and upgrading, as opposed to 20 working days which is the current permitted standard.</p>
<p>Regulation 25 Discharges from blasting</p>	<p>Amend the permitted activity conditions for both dry and wet blasting to refer to setbacks from a ‘sensitive land use activity’ rather than an “occupied building” Amend the provisions to allow dry blasting to take place closer to water bodies (10m setback instead of 50m) and sensitive activities (20m instead of 100m). Increase the permitted height of dry blasting activities from 1m to 2m above ground level.</p>
<p>Regulation 26 Discharges from blasting</p>	<p>Broaden provision to apply not only to discharges from blasting existing transmission lines, but also new transmission lines, and refine the matters of control to cover the effects on human health (instead of “health”) and the effects on sensitive activities and use of public roads (instead of “occupied buildings”).</p>
<p>Regulations 28 and 29 Discharges to water</p>	<p>Amend provisions so that discharges to land where they may enter water are also covered by the permitted activity standards.</p>
<p>Regulation 30 Vegetation removal</p>	<p>Broaden the trees and vegetation trimming permitted activity provisions to specifically cover the removal of indigenous vegetation, revegetation planting, amenity planting, indigenous vegetation in road reserve and exotic vegetation as required to ensure the ongoing and safe operation and maintenance of the National Grid subject to Schedule 2 (added in place of the current conditions).</p>
<p>Regulation 33 Earthworks</p>	<p>Refer to a <i>protected area</i> in place of <i>natural area</i> in the regulations setting out the permitted earthworks activities.</p> <p>Add additional permitted activities standards, that earthworks within a protected areas must not exceed 50m³ per mid span earthworks and 50m³ for works platforms, per transmission line support structure.</p> <p>Clarify that erosion sediment control must be applied and maintained within 50m of a waterbody and/or the coastal marine area.</p> <p>Replace the wording in the permitted activity standard that earthworks must not create or contribute to ‘drainage problems or flooding of overland flow paths’ with the wording it must not create or contribute to ‘flood risk in identified flood hazard areas.</p> <p>Remove the permitted activity standard requiring that earthworks must not be carried out on the bed of a lake or river in the coastal marine area.</p> <p>Amend the permitted activity standard for earthworks requiring that these not be carried out "in a historic heritage area unless they are carried out on an archaeological site in accordance with the Heritage New Zealand Pouhere Taonga Act 2014". Replace this wording to state that earthworks must not be carried out “on a site containing an identified historic heritage item or setting”.</p>

Regulation 34 Earthworks	Amend 20(2)(f) so that control is reserved over the effects of “ <i>instability, erosions or flood risk</i> ” rather than “ <i>drainage, flooding and overland flow paths</i> ”.
Regulation 35 Activities affecting heritage	Remove “effects on drainage, flooding and overland flow path”.
Schedule 1 Tower envelopes	Expand the permitted activity envelope for towers from 60% to 150% and delete the controlled activity envelope.

Table 28: Category 4: Amendments to regulations where there is insufficient evidence that the issue is widespread or will result in barriers to consenting transmission operation, maintenance, and upgrade activities.

Regulation	Amendment
General	Refine provisions to simplify the NES (e.g., Regulation 6 and 8 relating to overhead conductors and circuits could be combined).
Add new regulations	Add new regulations to: <ul style="list-style-type: none"> Establish an operational noise standard. Clarify the roles and responsibilities of consent authorities in relation to transmission activities Encompass the matters covered in other national direction relevant to transmission, so that the NES-ETA becomes a ‘one stop shop’ for regulating existing transmission activities
<i>Regulations 8, 9, 16, 22, 24, 27, 32 and 36</i> <i>Various</i>	Provide a more enabling activity status (e.g., from controlled, to permitted, or from restricted discretionary to controlled) where the effects can be suitably managed by standards and conditions.
<i>Regulation 13</i> Increasing voltage	Simplify the wording of the regulation to state that any breach of the permitted and controlled activity standards is non-complying.
<i>Regulation 15</i> Line support structures	Add a matter of control related to earthworks, clearance of trees and vegetation and the restoration of land.
<i>Regulation 20</i> <i>Line removal</i>	Include the effects of removal works as a matter of control in relation to the removal of transmission lines (regulation 20(2)(b)).
<i>Regulations 22 and 24</i> Telecommunication devices, Signs	Allow consideration of the benefits to and of the national grid, and the operational and functional needs of the national grid when considering applications for installing or modifying telecommunications devices and signs.

<p><i>Regulation 35</i></p> <p><i>Activities affecting historic heritage</i></p>	<p>Amend the matters of restricted discretion to allow consideration of the benefits to and of the national grid, the operational and functional needs of the national grid and the effects from flood risk in an identified flood hazard area.</p>
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We are seeking feedback through this consultation to better understand the urgency of and need for these potential amendments, noting that further workshops may be required with interested stakeholders and Transpower.

Assessment

Effectiveness to support targets

Both options 1 and 2 will help to support emissions reduction targets by having a more enabling framework for electricity transmission activities to support new REG coming online.

Environmental outcomes

With increased activities being enabled to help support existing infrastructure, it is unlikely that environmental outcomes will improve as a result from either of the options. Unless the broader changes in Option 2 were carefully designed, this could have a worse impact on environmental outcomes than the status quo.

Te Tiriti o Waitangi

Similar to the environmental outcomes assessment above, no improvement over the status quo is likely under Option 1. However, Option 2 would need to be carefully designed to avoid any unintended impacts on Māori interests by following the broader, more permissive approach.

Consenting efficiency and certainty

Standards design through option 1 or 2 will provide greater certainty for applicants and decision makers as to the weight that should be given to ET, particularly in relation to existing infrastructure activities.

Overall assessment

Transmission assets are often prominent structures within the landscape which have several environmental effects, including on visual amenity. These effects are unavoidable due to the functional and locational requirements of the National Grid.

Option 1 will provide a more enabling regulations which result in mainly visual effects, thereby prioritising the national significance of maintenance and upgrading this infrastructure. The visual effects of different infrastructure arrangement along transmission lines may be noticeable, however the overall effect will be that this will forms part of the existing National Grid infrastructure. The limitations of this option include not addressing consent requirements which can be unnecessary.

Alignment with updated standards and improved definitions, also part of Option 1, will improve the workability of the regulations and consistency with the interpretation in other planning documents.

Option 2 would improve the effectiveness of the NES-ETA to provide for the operation, maintenance, and upgrade of existing National Grid activities, however the need for some changes is unclear so further stakeholder input is required on the evidence of the issues and the potential for

environmental effects on values other than visual amenity (e.g., waterbodies, indigenous biodiversity, land rights, unmapped heritage etc).

Both options would achieve a greater degree of national consistency and better protect and provide for the operation, maintenance, and upgrade of the National Grid nationally. Overall, Option 1 is assessed as being more effective than Option 2 due its ability to help meet targets and improve consenting, while avoiding the risk of unintended impacts on environmental outcomes and cultural values.

Table 29: Assessment of options.

Criteria	Status quo (no action)	Option 1 (proposed)	Option 2
Effectiveness to support targets	0	+	++
Environmental outcomes	0	0	Not assessed
Te Tiriti o Waitangi	0	0	Not assessed
Consenting efficiency and certainty	0	+	+
Overall assessment	0	+	Not assessed

11. Questions on amending the NES-ETA

11.1. To what extent do you agree with the problem statement for this section?

11.2. To what extent do you agree that the NES proposal appropriately addresses the problem and the policy objectives?

11.3. Do you think that improvements to the NES-ETA should be progressed as amendments to existing regulations under the RMA or through the development of the NPF? Please explain why.

11.4. Please provide any evidence or examples to support your view.

11.5. Please provide any comments about this section.

Section 12: High-voltage electricity lines not owned or operated by the national grid

Problem statement

There is currently no national direction applicable to distribution networks. However, high-voltage lines, defined as those at or above 110 kV, play identical roles and have identical effects whether they are owned and operated by the national grid or another party. High-voltage lines play a critical role in the electricity system, connecting electricity flows from electricity generation facilities the national grid to consumers and communities across the country.

Options

Option 1	Status quo
Include high-voltage lines owned or operated by distribution companies and REG developers in provisions relating to transmission infrastructure	Existing provision (National grid means the assets used or owned by Transpower NZ Limited.)

or

Assessment

High-voltage lines owned or operated by distribution companies and REG developers could be included in the scope of the provisions relating to transmission infrastructure. This is because these lines are the same kinds of assets: they perform the same function and have the same environmental effects as lines owned by the national grid (that is, by Transpower). However, this consultation document does not propose to include lower-voltage distribution assets (less than 110 kV).

The wider distribution network is different from the national grid in several ways, including scale and operating environments (for example, local power lines are often located within road reserve). The operation, maintenance and upgrading of these distribution activities can be well provided for in the planning system through designations and network utility rules.

Lower-voltage distribution activities are of national significance to the electricity network but do not face the same consenting barriers as faced by transmission activities. Further, the NPF is picking up the 2019 Draft Network Utility Rules and therefore any further consideration of distribution infrastructure would duplicate that work.

However, we note that any provisions in relation to tree and vegetation trimming could be equally relevant to both the transmission and the distribution network.

12. Questions on high-voltage electricity lines

- 12.1. Do you agree that electricity transmission provisions that apply to the national grid should be extended to also cover high-voltage transmission lines not owned and operated by the national grid?
- 12.2. In your view is 110 kV an appropriate threshold for determining high-voltage transmission?
- 12.3. Are there any technical or other differences that policymakers should be aware of that could result in unintended consequences?
- 12.4. Please provide any evidence or examples to support your view.
- 12.5. Please provide any comments about this section.

PART D: IMPACT ASSESSMENT

Section 13: Impact Assessment

This assessment focusses on the proposed options of the priority amendments to the NPS-REG and NPS-ET. Comments are provided to clarify the options being assessed where applicable.

Similar impacts are expected from the proposals relating to NES. In addition to the impacts of the proposed amendments to the NPS-REG and NPS-ET, the NESs will provide greater certainty for parties and activities covered by the scope of the standards. These are the parties who wish to develop small and community-scale wind and solar generation, developers seeking to upgrade or repower existing developments, and Transpower, as the owner and operator of the National Grid.

This impact assessment is preliminary as we await to receive more comprehensive information from stakeholders as part of this consultation. This feedback will enable a more detailed regulatory impact assessment of options to be carried out and a section 32 evaluation to be prepared to inform final policy decisions.

Do the proposed amendments to the NPS-REG and NPS-ET meet the objectives?

Substantially increase the amount of renewable electricity consented and to achieve this by increasing the efficiency and consistency of renewable electricity generation and electricity transmission while managing adverse effects on the environment (Overarching objective).

The proposals will provide greater certainty of process and outcome for generators, Transpower and other interested parties. The focus of the amendments is providing a clear, nationally consistent consenting pathway for REG and ET that sets out the steps and tests that would need to be met.

This will increase predictability for applicants and other interested parties improving efficiency and timeliness for all parties. The proposal's greater specificity on requirements relating to the interests of Māori addresses a current gap and provides for more certainty for applicants and interested parties on what is expected for a successful consent application.

Provide more enabling policy direction for renewable electricity generation (REG) and electricity transmission (ET)

The proposals provide stronger and more directive policy to enable REG and ET activities at all scales to meet renewable electricity and emissions reduction targets. A greater emphasis is placed on wind and solar generation with an improved focus for small and community scale generation. This will increase the certainty for applicants and interested parties on the outcomes of consent applications.

Better manage competing interests with other Part 2 RMA matters through nationally consistent consenting pathways

Specified consenting pathways involving ‘gateway tests’ and effects management approaches are proposed which will provide increased clarity for development and upgrades of REG and ET activities. This will increase predictability and therefore cost and timeliness for consent processes.

The proposals create new, nationally consistent consenting pathways for REG and ET development activities to be considered when these have potential adverse effects on competing interests in other national direction instruments and Part 2 RMA matters.

The proposals provide a robust management approach with clear tests that need to be met for REG and ET activities where they are proposed in areas with significant environment values. This also includes an EMH that must be applied in a sequential manner to potential projects. This ensures adverse effects are avoided, minimised, remedied, offset, or compensated (in that order) before a decision can be made based on the remaining adverse effects and the benefits of the REG or ET activity.

Clear direction is also provided so that the national significance of REG and ET activities are enabled in other areas, including effects on local amenity values, so long as these effects have been avoided, remedied, or mitigated where practicable.

While this consultation does not propose that the preferred consenting pathways in the proposed NPS-REG and NPS-ET prevails over the NPS-FM, the proposed NPS-IB and the NZCPS at this time, feedback is sought on the extent to which this is necessary. This could be considered following this feedback for further refinement of the proposed drafts, or to advance as part of the NPF.

Provide for Māori interests for the consenting of REG and ET projects, and incorporate the principles of te Tiriti o Waitangi

Policy direction is proposed to recognise and provide for Māori interests, including for sites of significance and wāhi tapu that may also be subject to heritage protections. Improved policy direction better enables small/community scale REG, which includes providing for Māori to realise their aspirations.

Impacts: Costs and Benefits

The costs and benefits tables below provide an initial assessment of the expected costs and benefits of the proposals on a broad range of public and private potentially affected parties. The table draws on findings in the reports listed in Appendix A and others⁷¹. We are seeking further information from stakeholders to better understand expected direct and indirect costs and benefits. Once feedback has been considered, a more detailed cost benefit analysis will be undertaken as part of the final regulatory impact assessment and the section 32 evaluation. These will be used to inform final policy decisions.

⁷¹ Te Waihanga (2022) *New Zealand Infrastructure Strategy*. Boston Consulting Group (2022), *The Future is Electric, Low Carbon Aotearoa (2022) – An Energy Roadmap to 2030*.

Table 30: Additional costs and risks of proposed approach, compared to taking no action

Affected parties	Comment	Impact	Evidence certainty
Iwi/Māori	Increased demand on responding to engagement enquiries for new REG and ET projects (though this generally occurs as standard practice).	Low	Medium
	Increased risk of adverse effects on Māori sites of significance that lack protection in RMA plans and other statutory documents in their rohe (tribal area).	Low	Low
Local government	Increased demand on responding to consenting enquiries and processing consents for new REG and ET projects.	Low	Medium
	Time and cost of implementing strengthened amendments through the possibility of direct insertion of certain policies into planning documents under s55(2) RMA.	Low	Medium
	Time and cost of implementing strengthened amendments through plan changes (although not required in any specific timeframe and would only need to be made when undertaking a plan review). This requirement is also likely to be superseded by Natural and Built Environment plans under the NBE Bill.	Low	Medium
Local communities	Potential impact on local amenity values from REG and ET projects where it is not practicable to avoid or mitigate adverse effects on these values.	Medium	Low
Electricity consumers	None identified.	-	-
Electricity industry	Time required to upskill on amended provisions in each NPS.	Low	Low
Landowners	Potential increased demand on responding to development enquiries for new REG and ET projects.	Low	Low
Environment and the public	Some REG and ET projects may seek to locate in areas with significant environmental values and/or have remaining adverse environmental effects after applying the relevant effects management approach. The specific effects would be assessed and managed on a case-by-case basis based on the consent authority's assessment of the policy direction and the remaining adverse effects and benefits of the specific REG or ET project for which consent approval is sought.	Low - High depending on the specific project and its adverse effects	Low
Central government	Development of implementation guidance documents.	Low	High

Table 31: Additional benefits of proposed approach, compared to taking no action

Affected parties	Comment	Impact	Evidence certainty
Iwi/Māori	Providing for Māori to realise their aspirations for small and community-scale REG.	Medium	Low
	By creating a clear expectation on applicants, generation investors will have strong incentives to work alongside iwi and hapu to protect cultural values.	Medium	Low
Local government	Assist local government to assess REG and ET projects through clear, nationally consistent policy framework rather than leaving it to councils to interpret multiple	Low – high (dependent on renewable	Medium

	policies that have the potential to conflict with each other.	energy resource in area)	
Local communities	Provide increased local energy resilience and investment opportunities, including through small and community-scale REG projects.	Medium	Medium
	Increased job and training opportunities in areas that may be developed with new REG and ET.		
	Contribute to the security, affordability, resilience, independence, and diversity of electricity supply at the regional and local levels.	Low – high (dependent on renewable energy resource in area)	Medium
Electricity consumers	Renewable generation is the cheapest form of generation. The proposals will facilitate the entry of new players and keep a downward pressure on wholesale costs and retail prices through more competition. ^{72, 73}	Medium	High
Electricity sector	Reduced consenting costs are expected to be significant. In the 2020s, the Boston Consulting Group estimates that investment of \$10.2 billion in renewable generation and \$8.2 billion in infrastructure estimated to be required.	High	Medium
	Te Waihanga has found that consenting costs make up around 5.5% of total project cost. ⁷⁴ If consenting costs are reduced by one percent (i.e. to 4.5% of total project cost point, this would represent costs savings of \$102 million for renewable consents and \$82 million for transmission-related costs. ⁷⁵		
	These cost savings are ultimately passed onto electricity consumers.		
	Increased certainty to invest in new renewable electricity infrastructure, and upgrade and maintain existing assets.	High	Medium
	Reduced litigation in the consenting process.	Medium	Medium
Landowners	Increased opportunities for REG developments to be located on their land (with revenue benefits), particularly for diversification in rural areas. Wind and solar can be developed while maintaining other productive land uses. REG projects offer opportunities for landowners to increase the value of their land and preserve existing lifestyle and economic uses of land.	Medium	Medium

⁷² Electricity Authority (2022). Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity. Issues Paper

⁷³ Climate Change Commission (2021) [Modelling energy costs and prices – A technical note supporting Ināia tonu nei](https://www.climatecommission.govt.nz/modelling-energy-costs-and-prices-a-technical-note-supporting-ināia-tonu-nei) (climatecommission.govt.nz) - Page 10

⁷⁴ [The cost of consenting infrastructure projects in NZ final report.pdf](https://www.tewaihanga.govt.nz/the-cost-of-consenting-infrastructure-projects-in-nz-final-report.pdf) (tewaihanga.govt.nz). Note this research was not specific to renewable electricity generation or transmission projects.

⁷⁵ Boston Consulting Group (2022). THE FUTURE IS ELECTRIC. A Decarbonisation Roadmap for New Zealand’s Electricity Sector p.3 and p.14 [the-future-is-electric-full-report-october-2022.pdf](https://www.bcg.com/the-future-is-electric-full-report-october-2022.pdf) (bcg.com)

Environment and the public	Effects on New Zealand's environment will be minimised through the through effects management approaches. The proposals provide a more permissive consenting pathway for REG and ET development outside of areas with significant environmental values so there is an incentive for applicants to locate outside of these areas. Environmental effects outside New Zealand associated with New Zealand's importation of coal used for electricity generation will also be avoided.	Medium	High
	Accelerated renewable deployment and electrification will reduce New Zealand emissions by 8.7 Mt CO ₂ -e per year in the 2020s, by 15.6 Mt CO ₂ -e per year in the 2030s and by 22.2 Mt CO ₂ -e per year in the 2040s. ⁷⁶ Emissions reductions are expected from reduced coal and gas combusted for electricity generation, as well as fossil fuels use directly in the industrial, commercial, and transport sectors.	High	Medium-High
	Contribute to the security, affordability, resilience, independence, and diversity of electricity supply at the national levels.	High	High
	Increased self-sufficiency of energy. Self-sufficiency of energy is decreasing and was at its lowest level of 72.4 per cent in 2021 ⁷⁷ since reporting started in 1990. Reduced coal imports. Coal imports reached a record high of 1.8m tonnes in 2021, the first time on record that New Zealand became a net coal importer. ⁷⁸	High	High
Central government	Help meet New Zealand's renewable electricity and emissions reductions targets.	High	High

Risks and uncertainties

The initial assessment of costs and benefits above is preliminary and primarily qualitative. The benefits of the proposals tend to be indirect. While they are significant, it is difficult to attribute the benefits to the proposals versus other factors such as electricity market conditions. In contrast the direct costs are more certain and relate to implementation requirement for councils.

The precise impacts of the proposals are inherently uncertain because local authorities will interpret and apply the policies on a case-by-case basis when REG and ET activities are being proposed. Applying the policy direction requires a highly context-specific assessment of the benefits of the proposed activity and its adverse effects. In relation to areas with significant environment values, there is also uncertainty as to how local authorities will determine whether adverse effects are 'minor than minor' or 'significant'. This assessment will likely be informed by expert input, public submissions and the views of iwi/Māori and local communities.

⁷⁶ Boston Consulting Group (2022). [the-future-is-electric-full-report-october-2022.pdf \(bcg.com\)](#), p.14

⁷⁷ MBIE (2022). Energy in New Zealand 2022. <https://www.mbie.govt.nz/dmsdocument/23550-energy-in-new-zealand-2022-pdf>

⁷⁸ Ibid

There is also still some remaining uncertainty about the effect of the proposals given this consultation does not propose for the amended NPS-REG and NPS-ET to prevail over the NPS-FM, the proposed NPS-IB and the NZCPS at this time. If these relationships are not addressed through subsequent consultation and policy decision, it will take extra work for consent authorities to assess and interpret relevant provisions across multiple NPSs in the context of any consent application. Proposing a prevailing approach in the coastal environment presents some risk of additional development pressure on protected customary rights, so clarifying the relationships between national direction requires careful management.

Related to this, there is also currently insufficient spatial analysis on the extent to which areas protected by section 6 matters present resource/geographic barriers for future REG and ET development. In the near term, it may be possible for new REG projects to avoid these areas once further spatial analysis has been completed to complement regional spatial strategies and natural and built environment plans under the new RM system. However, over time, given the significant build required, the additive effect of multiple areas that may not be suitable for REG and ET, combined with other factors such as supporting infrastructure and proximity to urban areas, could create spatial constraints and therefore risks that new capacity will not be sufficient to meet emissions and energy targets. We have initiated this task and are working to improve evidence on spatial constraints to inform how the consenting environment can be improved.

Due to these uncertainties, it is difficult to determine with high levels of confidence whether the proposals sufficiently balance the imperative to increase REG output with the protective policies provided by the NPS-FM, the proposed NPS-IB and the NZCPS.

The impact of the proposals will also depend on the success of their implementation, which is further discussed in the next section.

13. Questions on the impact assessment

13.1. To what extent do you agree with the preliminary impact analysis of these options?

13.2. Please provide any evidence or examples to support your view.

13.3. Please provide any comments about this section.

PART E: IMPLEMENTATION, MONITORING AND REVIEW

Section 14: Implementation

How will the new arrangement work in practice?

Local authorities have the primary responsibility for implementing the proposed national direction. We intend that our proposed amendments to the NPS-REG and NPS-ET be in place during the transition to the new resource management system, until it takes full effect. This transition period would be approximately seven to 10 years.

The two NES proposals will follow a slower track. Subject to further government decisions to progress these, they would proceed after the amendments to the two NPSs and a further consultation on an exposure draft would take place. The issues and options identified as part of the NES-ETA will also be considered by Te Waihangā in the development of infrastructure content for the NPF. The implementation, monitoring and review details provided in this section therefore focus on amendments to the NPSs only.

What lessons have been learnt following implementation of the current NPS instruments?

Evaluations of the current NPS-REG and NPS-ET were undertaken in 2016 and 2019 respectively.

The NPS-REG provided a staged implementation period for councils to “give effect” to the NPS-REG in regional policy statements, regional plans, and district plans. Regional councils were first required to ensure that their regional policy statement gave effect to the NPS-REG within 24 months of its commencement.⁷⁹ Following the relevant amended regional policy statement becoming operative, local authorities are then required to make changes to regional plans and district plans to give effect to the NPS-REG within 12 months.⁸⁰ However, these timeframes were not found to be the main driver to give effect to the NPS-REG and there was a general trend to incorporate the NPS requirements as part of a wider plan review to reduce overall plan change costs.⁸¹

The NPS-ET provides a more general requirement for all local authorities to make changes to their plans to give effect to it within four years of its commencement.

Both evaluation reports highlighted that several local authorities were yet to give effect to either instrument which continues to remain unclear. These evaluations also highlighted several inconsistencies and limitations in how local authorities have included provisions in their plans to enable REG and ET activities.

⁷⁹ Unless already provided for within the regional policy statement of proposed regional policy statement

⁸⁰ Unless already provided for within the regional policy statement of proposed regional policy statement, in which case the timeframe was set within 24 months of commencement of the national policy statement

⁸¹ The RMA requires councils to review their regional policy statements and regional and district plans at least every 10 years.

Implementation options for the National Policy Statements

The purpose of the proposed changes to the NPS-REG and NPS-ET is to influence consenting decisions without requiring any plan changes by a set timeframe. This is to reduce administration, time, and cost burden on local authorities (and iwi authorities given the pre-consultation requirement on councils). Currently there are a number of plan change requirements from other national direction and as local authorities transition to the new resource management system.

However, it is important that the proposed changes are implemented effectively by local authorities to ensure the objectives of the proposals are achieved. Table 31 below provides a breakdown of the current implementation options, we are considering for the amendments to the two NPSs. Option 2 is the preferred option as it will ensure the most important objectives and policies are given effect to in a plan in a short timeframe (under s55(2) change), while allowing councils further time to implement the amended NPSs in full via Schedule 1.

Table 32 Implementation options

Option	Details	Pros	Cons
1 – Schedule 1 regional policy statement / district plan change	<p>Direct local authorities to change all regional policy statements and district plans within a set timeframe to give effect to the amended NPSs.</p> <p>Timeframe could be to notify proposed change to regional policy statement or district plan change within 2 years after the commencement date.</p>	<p>High level of certainty that amended NPSs will be given effect to (although practice likely to be variable based on previous experience of existing NPS implementation).</p> <p>Most holistic approach to ensuring the amended NPSs are given effect to in regional policy statements among other national direction and priorities, and through meeting Schedule 1 consultation requirements including with iwi authorities and opportunities for submissions and hearings.</p>	<p>Additional resourcing requirements for iwi authorities given the pre-consultation requirements of Schedule 1.</p> <p>May not be the most efficient approach given all regional policy statements and district plans are proposed to be significantly consolidated into a single regional plan in the new resource management system.</p>
2 – Direct changes to regional policy statements and district plans using section 55(2) of the RMA (i.e. no public plan change required) for	<p>Certain objectives and policies in amended NPSs inserted without using the Schedule 1 public plan change process. Timeframe could be set for notice (under section 55(2A) RMA) of change to regional policy statement or district plan as soon as practicable</p>	<p>High level of certainty that key objectives and policies of the amended NPSs will be given effect to in plans and appropriately considered in consenting decisions.</p> <p>An effective and efficient way to implement key provisions in the amended NPSs and ensure these prevail over inconsistent</p>	<p>Changes under s55(2) will not have supporting rules (as an NPS cannot include rules), which could limit certainty and effectiveness for applicants and decision-makers. However, it is expected most large-scale REG and ET applications will be discretionary</p>

<p>certain provisions and any other changes to be made as part of next plan review. (preferred).</p>	<p>and no later than 6 months.</p> <p>Any provisions not incorporated via Section 55(2) would need to go through Schedule 1 process, and there would be flexibility for this to occur with the next plan change rather than within a set timeframe.</p>	<p>provisions in existing policy statement plans. Reduces costs for local authorities and removes risk of inconsistent approaches to give effect to key provisions.</p> <p>Enables the rest of the amended NPSs to be given effect to through wider plan change to reduce burden and provide flexibility to local authorities.</p>	<p>activities, enabling the provisions to be directly considered.</p>
<p>3 – Reliance on amended NPSs being considered as relevant provisions in resource consent decisions with no immediate changes to regional policy statements or district plans being required.</p>	<p>This option would rely on consent authorities considering the amended provisions under section 104(1)(b)(iii) and this higher order policy direction given more weight than inconsistent, outdated provisions in lower order regional policy statements and district plans.</p> <p>No direction for a change to regional policy statements and district plans with or without using Schedule 1 within a set timeframe. Would default to the requirement in section 55(2D) of the RMA to give effect to NPS as soon as practicable.</p>	<p>Medium level of certainty that amended NPSs would be given appropriate weight in consenting decisions.</p> <p>Lowest resourcing required from councils (including consultation obligations with iwi authorities) until a Schedule 1 change is made.</p>	<p>Effectiveness of option relies on consent authorities taking an approach to an assessment under s104 RMA whereby more recent higher order policy direction is given more weighting than inconsistent, outdated provisions in lower order plans which is supported by some case law.⁸²</p> <p>However, this approach is not consistently applied and there is a risk of inconsistent decision-making in terms of the weighting given to the amended NPSs.</p> <p>Less certainty for applicants and decision-makers due to the need to navigate multiple instruments (until a Schedule 1 change is made).</p>

⁸² *RJ Davidson Family Trust v Trust v Marlborough District Council* [2016] NZEnvC 81; *Infinity Investment Group Holdings Limited v Canterbury Regional Council* [2017] NZEnvC 36; and *Bunnings v Queenstown Lakes District Council* [2019] NZEnvC 59.

Support for developers and local authorities

In terms of central government support for implementation, MBIE and MfE are intending to prepare a user guide for each of the amended NPSs, with guidance on working through the provisions at both the plan and consenting levels. This would be like the implementation guidance prepared for the current NPS-REG and NPS-ET, albeit revised to reflect the amendments.

Non-statutory planning guidance for renewable electricity generation

Planning and development guidance for REG is a key part of the successful growth of the renewables sector in overseas countries. This can be in the form of statutory or non-statutory guidance, and typically complements policy directions or regulations to achieve the best outcomes. For example, Scotland has strong national direction to increase renewables, accompanied by statutory and non-statutory guidance for developers and decision makers. This has helped facilitate a more than 300 percent increase in total installed capacity of renewable electricity in Scotland between 2009 and 2021.⁸³

In 2006, the Parliamentary Commissioner for the Environment⁸⁴ explained that consistent support and direction from central government is a major influence on wind power growth, and that policy and guidance that specifically addresses wind power helps to support planning and decision making. The report also emphasises that most countries have carried out studies and developed guidance that focuses on wind power and its effects, especially on the landscape.

There is no current central government guidance to help developers and decision-makers assess environmental effects for resource consent applications for renewable electricity generation projects. The New Zealand Wind Energy Association has filled some of the gaps in this space for wind energy developments,⁸⁵ however this is also dated and limited in detail of how to approach competing outcomes such as landscape and ecological interests.

Although this problem statement is framed around wind farms, planning guidance for all renewable electricity generation is important to ensure that the system is future-proofed and is flexible enough to consider all types of REG. Non-statutory guidance could help support developers and decision-makers on best practice and how to assess environmental effects for consent applications for renewable electricity projects.

Guidance would build on the current guidance for wind energy, by updating and expanding on it to achieve greater efficiencies in the consenting of projects. Guidance would also cover the most immediate needs of other renewable electricity generation types such as solar farms, as there is currently no national level guidance to help applicants or decisions makers understand what best practice looks like and how environmental effects should be assessed.

⁸³ Scottish Renewables. Statistics <https://www.scottishrenewables.com/our-industry/statistics>

⁸⁴ Wind power, people and place, Parliamentary Commissioner for the Environment <https://www.pce.parliament.nz/publications/archive/1997-2006/wind-power-people-and-place>

⁸⁵ NZWEA (2013). Best practice development guidance for wind farm development.

Victoria⁸⁶ and New South Wales⁸⁷ in Australia are examples of jurisdictions with non-statutory planning guidance to complement their own planning policies for renewable electricity, with a focus on successful consenting. Both jurisdictions also have guidance for both wind energy and solar farms on important cumulative impacts that need to be addressed.

Guidance for New Zealand could be completed within 12 months of the strengthened policy direction coming into force. Developing the guidance would involve a literature review of similar guidance in other jurisdictions internationally, and targeted consultation with iwi and Māori organisations, local government, and organisations from the electricity industry. It would also be useful to consult with the planning and landscape architecture professions, to test how workable the guidance is in practice.

Institutional support

Through some early discussions with local authorities on these proposals, we have become aware of the struggle some councils face to process resource consent applications for renewable projects. This can often result in applicants for consents having different experiences from council to council. We have also heard that councils vary significantly in how they deal with offsetting and compensation to help reduce environmental effects.

It is important to ensure that the wider regulatory framework supports increased renewable energy. Your feedback on this topic will help clarify what institutional support may be lacking, or could be further developed, to help support the transition to a low-carbon economy with increased REG.

One possible solution that would supplement the non-statutory guidance discussed above could be for central government to offer more consistent advice to developers and local authorities in this area, to help recognise the national significance of renewable electricity projects. Another solution could be for a standardised set of best practice planning conditions that councils can refer to when making their decisions.

Implementation risks

There is a risk that the policy direction in NPS will be interpreted and implemented inconsistently and/or have unintended outcomes. However, this implemented risk is mitigated through clear and directive policies and we are seeking feedback on exposure drafts to ensure the policy wording is clear for local authorities and other stakeholders.

There is a risk that the NPS will impose compliance burden on local authorities ahead of the transition to the new resource management system. This risk is mitigated through the option of no

⁸⁶ Specific permit topics, Victoria State Government Environment, Land, Water and Planning <https://www.planning.vic.gov.au/permits-and-applications/specific-permit-topics>

⁸⁷ Renewable energy, NSW Department of Planning and Environment <https://www.planning.nsw.gov.au/Policy-and-Legislation/Renewable-Energy>

specific requirements/timeframes to change plans to give effect to the NPS's and providing flexibility for any plan changes to be made as part of a wider plan review.

Limited implementation risks are anticipated from proposed NES and these regulations will stand on their own and prevail over any inconsistent plan rules. Any rules that duplicate or conflict with the proposed NES can be addressed by local authorities without a public plan change under section 44A of the RMA.

14. Questions on implementation

14.1. Do you support the use of section (552A) to direct local authorities to insert relevant provisions from national policy statements into regional policy statements, regional plans and district plans without using the standard plan-making process in Schedule 1 of the RMA?

14.2. Do you support providing non-statutory guidance for developing and maintaining renewable electricity generation?

14.3. Do support further central government or other institutional support for councils in making their consenting decisions?

14.4. Are there any implementation risks the government should be aware of?

14.5. Please provide any evidence or examples to support your view.

14.6. Please provide any comments about this section.

Section 15: Monitoring and review

As resource management tools, the NPSs and NESs will be administered by MfE. MfE is responsible for monitoring and supporting the implementation of the national direction instruments and reviewing their effectiveness under the RMA. MBIE will support specific activities, such as in the development of implementation support guidance and in evaluation activities.

In terms of monitoring requirements for councils, the NPSs are deliberately high level and do not set out monitoring methods or timeframes. Information on REG and ET consent applications are typically notified which means the information should be publicly available.

However, this is not always the case as many councils only show what applications have been recently notified i.e. in the past 12-24 months. As discussed earlier in this document, the Low Carbon Aotearoa Energy Roadmap to 2030 highlights that tracking and reporting the environmental impacts of energy activities on a national scale can be difficult. We would encourage all local authorities to keep longer-term records of energy-related consents on their websites to maintain and enhance publicly available information.

This could also be achieved through developing a set of standard conditions for energy-related consents that requires monitoring of specific environmental indicators. We welcome any feedback on these ideas.

The government will develop an evaluation plan to assess the effect and implementation of the proposals in achieving the objectives and the purpose of the RMA in accordance with the Minister for the Environment's functions under section 24(f) of the RMA. It is anticipated that this will involve a review of the consenting process for a selection of renewable electricity generation and transmission projects in terms of timeframes, costs and the outcomes achieved and the influence of the proposals on the consent process and outcomes.

15. Questions on monitoring and review

- 15.1. Do you agree with the proposed monitoring and evaluation arrangements?
- 15.2. To what extent do you agree councils should be required to monitor specific aspects of their implementation of the NPSs and NESs?
- 15.3. Do you agree that information for energy related consents (REG and ET) should be made publicly available and maintained as such on local authority websites?
- 15.4. What is the key information to be collected, reported and/or published?
- 15.5. To what extent do you agree standard conditions should be developed for energy related consents (REG and ET), including requirements for monitoring specific environmental indicators?
- 15.6. Please provide any evidence or examples to support your view.
- 15.7. Please provide any comments about this section.

Appendix A: Government evaluations and independent reviews

Report	Findings	Recommendations/conclusions
Ministry for the Environment (2016) <i>Report of the Outcome Evaluation of the National Policy Statement for Renewable Electricity Generation</i>	<p>The Outcome Evaluation Report of the NPS-REG found that the NPS-REG does not change the fundamental way that REG projects are treated through the consenting process and <i>'does not appear to have had a significant impact on councils' planning outcomes and decision-making in relation to REG projects'</i>.</p> <p>As a less directive policy tool, the NPS-REG is given less weight in planning and consenting decisions than more directive tools (e.g., NZCPS). This may impact the effectiveness of the NPS-REG in facilitating REG activities.</p>	The report questions whether and how the NPS-REG (and the planning and consenting framework more broadly) can or should better provide for the continuing development and maintenance of REG activities.
Ministry for the Environment (2019) <i>Evaluation of the National Policy Statement on Electricity Transmission and National Environmental Standards for Electricity Transmission Activities</i>	The Outcome Evaluation Report of the NPS-ET and NES-ETA found that while both instruments are meeting their objectives, the effectiveness of the NPS is hampered by those councils who have not yet implemented it. Transpower has reported that delayed implementation of policies 10 and 11 has had significant adverse impact on the ability of Transpower to manage and protect the National Grid.	The Outcome Evaluation Report also finds that both instruments could be 'revisited to ensure their future effectiveness' due to changes in technology and infrastructure, as well as predictions for electricity demand. The NPS-ET could be more specific for reconductoring activities, National Grid changes to accommodate growth, and enabling connections to renewable electricity generation projects. The NES-ETA could also be updated to better enable current routine maintenance practices with minor environmental effects.
New Zealand Productivity Commission (2018) <i>Low-emissions economy: Final report</i>	<p>The purpose of this inquiry was to identify options for how New Zealand could reduce its domestic greenhouse gas emissions through a transition towards a lower emissions future, while at the same time continuing to grow incomes and wellbeing.</p> <p>The Commission found that:</p> <ul style="list-style-type: none"> Submissions to the inquiry reinforced the findings of the 2016 review, that the NPS-REG <i>'had almost completely failed to effect significant changes in local authority planning tools, and that, in practice, it had made no difference to the time, complexity and cost of obtaining resource consents for renewable electricity generation investments.'</i> 	<p>The Commission comments that the Government should, with some urgency, prioritise strengthening the NPS-REG and the NPS-ET and prioritise supplementing them with a national environmental standard that will speed decision making on renewable energy generation consents under the RMA. Key recommendations include:</p> <p>Recommendation 13.3: 'The Government should give priority to revising both the NPS-REG and the NPS-ET to ensure that local authorities give sufficient weight to the role that renewable electricity generation and upgrades to the transmission network and distribution grid will play in New</p>

	<ul style="list-style-type: none"> • <i>‘The National Policy Statement for Renewable Electricity Generation 2011 (NPS-REG) is not well-reflected in the planning documents of local authorities and has made no difference to the time, complexity and cost of obtaining consents for renewable electricity generation investments (particularly wind- and hydro-generation). The language of the NPS-REG is not sufficiently directive to give weight to the central role of renewable electricity generation in New Zealand’s transition to a low-emissions economy over the next several decades’.</i> (F13.4) • <i>‘Uncertainty about water rights has the potential to reduce the economic viability of, and so dissuade, further investment in maintaining hydro-electric generating capacity. Allocation of water rights in New Zealand is controversial and successive governments have been cautious in taking steps to increase certainty about them’.</i> (F13.5). • <i>‘The owner of the transmission grid, Transpower, reports that despite the provisions of the NPS-ET, decisions on resource consents for grid investment projects are highly time consuming and costly and increase uncertainty and risk. Similar types of costs and risks are likely to apply to upgrades of the distribution network, though at a smaller scale’.</i> (F13.6). 	<p>Zealand’s transition to a low-emissions economy. This will likely require making the language of the NPS-REG and the NPS-ET more directive, and to be more explicit about how the benefits of renewable electricity generation should be recognised and given effect in regional and territorial authority planning instruments.’</p> <p>Recommendation 13.4: The Government should issue a new National Environmental Standard for Renewable Electricity Generation that sets out the conditions under which renewable energy activities are either permitted, controlled, restricted discretionary or non-complying activities under the Resource Management Act 1991. This should be drafted to increase the speed and lower the cost and uncertainty for obtaining resource consents for a significant proportion of renewable electricity generation projects that have only minor environmental and social impacts.’</p>
<p>Interim Climate Change Committee (2019) <i>Accelerated electrification</i></p>	<p>The ICC found multiple issues with the RMA which have the potential to unduly constrain the required expansion of renewable electricity generation to meet New Zealand’s climate change objectives. These include:</p> <ul style="list-style-type: none"> • Ongoing policy uncertainty regarding the relative priority of the objectives set out in different national direction instruments (particularly between the NPS-FM and the NPS-REG). The NPS-FM creates bottom lines and ‘untenable’ policy uncertainty for hydro-schemes. • Inadequate national policy direction, means that relatively minor landscape or visual amenity effects can unnecessarily trump the development renewable electricity generation. 	<p>There is ‘some urgency’ to resolving the lack of direction on resolving major trade-offs between renewable generation (and the benefit of reducing emissions), and national and local objectives to restore the health of the environment.</p>
<p>Climate Change Commission (2021) <i>Ināia tonu nei: a low</i></p>	<p>This report recognises the scale of new generation that will need to be built rapidly to meet this increase in electricity demand, however that many</p>	<p>Recommendation 20 includes: ‘Enabling a fast-paced and sustained build of low-emissions electricity generation and infrastructure by ensuring resource</p>

<p><i>emissions future for Aotearoa</i></p>	<p>forms of renewable generation will come into conflict with the resource management system.</p> <p>RMA national direction needs to be aligned with the required pace of build.</p>	<p>management processes, other national and local government instruments, and settings for transmission and distribution investment decisions are aligned to the required pace for build.'</p>
<p>Te Waihanga/New Zealand Infrastructure Commission (2022) <i>Rautaki Hanganga o Aotearoa 2022 - 2052 New Zealand Infrastructure Strategy</i></p>	<p>The New Zealand Infrastructure Strategy found that:</p> <ul style="list-style-type: none"> • Our planning system slows down essential infrastructure projects. It can take years to get consents for infrastructure projects like wind farms. Consenting infrastructure is costly and the costs are increasing. • Clean electricity will be key to reducing carbon emissions from transport, process heat and agricultural activities. Over the next 30 years we'll need to build significantly more low-emissions electricity generation. • Infrastructure requires special consideration within the planning framework because of its unique characteristics. Streamlined regulatory processes are needed to enable the development of new energy projects. 	<p>Recommendation 6 of the strategy is to "Strengthening existing Resource Management Act 1991 national direction for renewable energy generation and transmission".</p>
<p>Electricity Authority (2022). Promoting competition in the wholesale electricity market in the transition toward 100% renewable electricity.</p> <p>Concept Consulting (2022). Generation Investment survey. Prepared for the Electricity Authority, July 2022. PowerPoint Presentation (ea.govt.nz)</p>	<p>In work for the Electricity Authority, Concept Consulting has identified that wholesale contract prices are currently higher than the cost of new baseload generation (wind and solar). While prices should be returning towards long run marginal cost of wind and solar, the rate at which this appears to be happening is slow, suggesting there is a barrier to investment relative to the rate of demand growth. The survey highlights that wind developers perceive Resource Management Act requirements have a significant effect on development pace</p>	<p>To facilitate investment in new renewable generation, the Authority proposes to invite:</p> <p>MBIE and MfE to bring forward their work to strengthen national direction for renewable electricity to inform local planning and resource management consenting. This should reflect the government's 100% renewable electricity aspiration, electrification and renewable energy goals, and the implications for investment in renewable generation that needs to occur</p> <p>MBIE and MfE to investigate the evidence for, and the merits and feasibility of, applying pro-competitive conditions on consents for renewable generation (e.g., use-it-or-lose it)</p>

Appendix B: Issues with the existing NES-ETA

The following workability issues with the NES-ETA is based on feedback from Transpower.

Issues raised by Transpower include that the NES-ETA⁵⁶ has **definitional issues**:

- The first set of National Planning Standards has been released since the NES-ETA came into force. The purpose of the planning standards is to improve efficiency and effectiveness of the planning system, including by providing nationally consistent definitions. Some definitions in the NES-ETA are not aligned with the national planning standards (including earthworks, historic heritage, wet abrasive blasting, dry abrasive blasting). These inconsistencies have caused interpretation issues when used with other planning documents.
- The NES-ETA contains a slightly different definition for *land* than the RMA. This has caused issues in relation to determine who the relevant consent authority is for some activities.
- The definition of the *National Grid* in the NES-ETA has some operational limitations, particularly in relation to activities which are used but not owned by Transpower (e.g., access tracks which are used for the maintenance of the transmission network). In addition, the current definition in the NES-ETA is different to the definition in the NPS-ET, which does include assets '*used or owned by Transpower NZ Ltd*'.
- The *termination structure* definition does not include gantry. These may be required for 220kV lines that transition from an overhead line to an underground cable.
- The definition for *temporary line deviations* includes '*during maintenance and upgrades*'. This does not clearly provide for deviations required outside of routine maintenance and upgrade works, for example for unplanned emergency and safety works. Limitations on when a temporary line deviation can occur are already established by regulations 17-18.
- The definition of *transmission line* does not specifically provide for transmission lines which transition from overhead to underground lines.
- The definition of *upgrading* is overly broad and captures routine maintenance activities.
- The definition of a *pole* does not recognise the range of materials now available.
- *Guy wires* are referred to in the NES-ETA but not defined.
- The definition of *natural area* is too vague and does not align with definitions/rules in district plans, making it difficult to apply relevant rules.
- The definitions of base footprint, height, position and width require survey work and information to be retained in the long term which over time, as the position of infrastructure changes, becomes a significant task.

Issues raised by Transpower in relation to **regulations and schedules** include⁵⁷

- Since the NES-ETA came into force on 14 January 2010, the International Commission on Non-ionizing Radiation Protection (ICNIRP) has updated its guidelines. Current permitted activity conditions in regulation 10 (of the NES-ETA) refer to an outdated magnetic flux density reference level for public exposure of 100 microteslas. This is 100 microteslas lower than the current ICNIRP guidelines.
- Some controls and standards in the regulations limit maintenance and upgrade activities based on their impact on amenity values, rather than impacts on significant environmental values. This has practical and administrative implications for the efficient maintenance upgrade of the National Grid.
- The timeframe for erecting temporary structures in relation to an existing transmission line is too short.
- There are gaps and anomalies in the trimming, felling and removal of trees and vegetation provisions. Transpower must comply with the vegetation trimming/removal/felling requirements of the Electricity (Hazards from Trees) Regulations 2003. However, the NES-ETA does not provide a permitted activity pathway for all these activities.
- Regulations for similar activities (e.g., overhead conductors and circuits) are dealt with under separate provisions, adding to the complexity of the standards.
- The regulations do not include an operational noise standard.
- Given the current state of technology, several activity statuses and conditions are too restrictive and prevent upgrades which would have minimal environmental effects.
- The process outlined for modelling electric and magnetic fields in the NES-ETA is not aligned with what occurs in practice.
- The height and size limits for structures should be more enabling of upgrades and current technologies, allowing Transpower to use the most appropriate technical solution.
- Public view shafts are unavoidable due to the nature of the infrastructure.
- Dry blasting activities are undertaken close to the ground, often enclosed and the drift is minimal. However, the same restrictions are applied to these activities as for wet blasting.
- The NES-ETA and regional rules can be inconsistently interpreted, particularly in relation to discharges to water. Better alignment is needed.
- Clearer earthwork standards are needed to avoid unnecessary controls on sites that do not present risk. The national environmental standard for assessing and managing contaminants in soil to protect human health (NESCS) are more appropriate to regulate activities on land that is, or potentially is, contaminated. The current regulations in the NES-ETA provide a more complicated consenting pathway and could be better aligned with the NESCS.
- The envelope for permitted activities in the Schedule is too limiting.
- In addition, overlapping national direction creates additional complexity for National Grid maintenance and upgrade activities.

- Transpower has also raised concerns that there continues to be repeated debates about how the model National Grid buffer corridor provisions fit into local plans and continued inaction by some local authorities to implement the buffer corridor provisions through plan reviews and plan changes⁵⁸. There is also a concern that these debates and inefficiencies have increased because of the Medium Density Residential Standards (MDRS) where local authorities are taking different approaches to recognise the National Grid buffer corridor.



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

BRM 8906

Proposed National Policy Statement on Electricity Transmission [2023]

Draft for consultation v3.1, 30/3/23

Authority

This National Policy Statement is issued by the Minister for the Environment under section 54 of the Resource Management Act 1991.

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New Zealand Government

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Part 1: Preliminary provisions

1.1 Title

- (1) This is the National Policy Statement on Electricity Transmission [date].

1.2 Commencement

- (1) This National Policy Statement comes into force on [to come –the date should be specified and be at least 28 days after the NPS is gazetted].

1.3 Definitions

- (1) In this National Policy Statement:

Act means the Resource Management Act 1991

areas with significant environment values means any or all of the following:

- (a) areas with natural character in the coastal environment:
- (b) outstanding natural features and landscapes, both within and outside the coastal environment:
- (c) areas with historic heritage, including sites of significance to Māori and wahi tapu:
- (d) significant natural areas

commencement date means the date on which this National Policy Statement comes into force, as identified in clause 1.2.

decision-maker means any person exercising functions or powers under the Act

effects management hierarchy means the effects management hierarchy described in clause 3.8

electricity transmission network means the electricity transmission network that:

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- (e) comprises the network of transmission lines, cables, stations, substations and works used to connect grid injection points and grid exit points used to convey electricity in New Zealand; and
- (f) is owned by Transpower New Zealand Limited; and
- (g) is commonly known as the National Grid

ETN activities means any activity required for the operation, maintenance, upgrade, or development of ETN assets

ETN assets means the physical components of the electricity transmission network, along with all access roads and tracks required to operate and maintain those assets

ETN development activities means

- (a) the construction of new ETN assets; or
- (b) the upgrade of, or changes to, ETN assets where the upgrade is not a minor ETN activity and:
 - (i) will or may have more than minor adverse effects on the environment.

minor ETN activities means:

- (a) activities required for or associated with the operation or maintenance of ETN assets; or the upgrade of, or changes to, ETN assets where the upgrade or other change:
 - (i) will have no more than minor adverse effects on the environment over time; and
 - (ii) results in the assets occupying a physical space, in any direction, that is the same as, or is not significantly greater than, the existing ETN assets; and
- (b) includes activities such as vegetation clearance, tree trimming, maintaining and improving access roads and tracks, and replacing structures with like-for like structures

planning decision means a decision on any of the following:

- (a) a resource consent or designation:
- (b) a regional policy statement or proposed regional policy statement:
- (c) a regional plan or proposed regional plan:
- (d) a district plan or proposed district plan.

significant natural area means an area identified in a regional policy statement or plan or through a resource consent process as an area of significant indigenous vegetation or significant habitat of indigenous fauna, following an assessment by a suitably qualified ecologist using ecological significance criteria.

- (2) Terms defined in the Act and used in this National Policy Statement have the meanings in the Act, unless otherwise specified.
- (3) Terms defined in the National Planning Standard issued under section 58E of the Act and used in this National Policy Statement have the meanings in that Standard, unless otherwise specified.

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1.4 Relationship with the New Zealand Coastal Policy Statement 2010

- (1) The New Zealand Coastal Policy Statement 2010 prevails over the provisions of this National Policy Statement if there is conflict between them.

1.5 Application of section 55(2A) of Act

- (1) The change to regional plans required by the following clauses are amendments referred to in section 55(2) of the Act (which, because of section 55(2A), means that the changes must be made without using a process in Schedule 1 of the Act):
- (a) 3.2 (Consideration of national significance and benefits of electricity transmission network):
 - (b) 3.3 (Consideration of operational and functional needs of ETN assets):
 - (c) 3.4 (Recognising and providing for Māori interests in relation to ETN activities)
 - (d) 3.8 (Areas with significant environment values):
 - (e) 3.9 (Areas that are not areas with significant environment values).

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Part 2: Objective and policies

2.1 Objectives

The Objective of this National Policy Statement is that the electricity transmission network is developed, operated, maintained, and upgraded in an effective, efficient, and safe manner, while managing adverse effects on the environment.

2.2 Policies

The Policies for electricity transmission are as follows:

Policy 1: The benefits of the electricity transmission network are realised at a national, regional, and local level.

Policy 2: Planning decisions:

- (a) recognise and provide for the national significance of the electricity transmission network; and
- (b) enable ETN activities to occur in a timely and efficient way; and
- (c) recognise and provide for the operational and functional needs of the electricity transmission network.

Policy 3: Minor ETN activities are enabled.

Policy 4: Māori interests in relation to ETN activities are recognised and provided for, including through early engagement and protection of sites of significance.

Policy 5: It is recognised that ETN activities may need to take place in areas with significant environment values and, where adverse effects remain after applying the effects management hierarchy, ETN activities are enabled if the national significance and benefits of the ETN activities outweigh those remaining adverse effects.

Policy 6: In areas that are not areas with significant environment values, ETN activities are enabled provided any adverse effects on the values of those areas, including on local amenity values, are avoided, remedied, or mitigated to the extent practicable.

Policy 7: Reverse sensitivity effects on ETN activities are avoided or mitigated where practicable.

Policy 8: Local authorities facilitate the implementation of medium to long-term plans for the development of the electricity transmission network.

Part 3: Implementation

3.1 Outline of Part

- (1) This Part sets out a non-exhaustive list of things that must be done to give effect to the objective and policies of this National Policy Statement, but nothing in this Part limits the general obligation under the Act to give effect to that objective and those policies.
- (2) In this Part:
 - (a) subpart 1 sets out matters that decision-makers must consider whenever they make planning decisions relating to the electricity transmission network; and
 - (b) subpart 2 sets out how the environmental effects of ETN activities are to be managed.

Subpart 1 - Approaches to implementing this National Policy Statement

3.2 Consideration of national significance and benefits of electricity transmission network

- (1) Every regional council must include the following policy (or words to the same effect) in its regional policy statement and regional plan, and every territorial authority must include it in its district plan:
 - “(1) When making decisions about ETN activities, recognise and provide for:
 - (a) the national significance of the electricity transmission network; and
 - (b) the need for the electricity transmission network to be developed, operated, maintained, and upgraded, in an efficient and timely manner; and
 - (c) the benefits of the electricity transmission network, which include all the following:
 - (i) supporting reductions in greenhouse gas emissions and the accelerated electrification of the economy;
 - (ii) facilitating the development of new renewable electricity generation;
 - (iii) providing secure supply of electricity to communities, homes, and businesses
 - (iv) providing for the economic, social and cultural well-being of people and communities.”

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3.3 Consideration of operational and functional needs of electricity transmission network

- (1) Every regional council must include the following policy (or words to the same effect) in its regional policy statement and regional plan, and every territorial authority must include it in its district plan:

“(1) When considering the operational and functional needs of ETN assets to be in particular location, recognise and provide for:

- (a) the need for ETN assets to transport electricity over long distances, including:
 - (i) within and across urban, rural, and coastal environments; and
 - (ii) within valued and sensitive environments; and
 - (iii) across jurisdictional boundaries within and across regions; and
- (b) the need for the electricity transmission network to operate as an interconnected linear system across New Zealand; and
- (c) the requirement for regular maintenance and upgrading of the electricity transmission network.”

3.4 Recognising and providing for Māori interests in relation to ETN activities

- (1) Every regional council must include the following policy (or words to the same effect) in its regional policy statement and regional plan, and every territorial authority must include it in its district plan:

“(1) When making decisions about ETN activities, recognise and provide for Māori interests, including through:

- (c) early engagement with tangata whenua in a way that is meaningful and, as far as practicable, in accordance with tikanga Māori; and
- (d) ensuring that ETN activities on or near sites of significance to tangata whenua (including wahi tapu) are undertaken in a way that provides for the significance of the sites.”

3.5 Considerations for ETN development activities

- (1) When considering the environmental effects of ETN activities, decision-makers must consider the extent to which any adverse effects have been avoided, minimised, or remedied by the route, site, and method selection.

3.6 Facilitating planned development of electricity transmission network

- (1) Regional councils must include objectives, policies, and methods to facilitate long-term planning for investment in ETN assets and the integration of the electricity transmission network with other land uses.

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- (2) Decision-makers must recognise that the designation process can facilitate long-term planning for the operation, maintenance, upgrade, and development of the electricity transmission network.

Subpart 2 – Managing effects on the environment

3.7 Minor ETN activities

- (1) Decision-makers must enable minor ETN activities to occur without restriction, except that persons undertaking minor ETN activities must avoid or mitigate adverse effects on the environment where practicable.

3.8 Areas with significant environment values

- (1) Every regional council must include the following policy (or words to the same effect) in its regional policy statement and regional plan, and every territorial authority must include it in its district plan:

- “(1) Allow ETN activities in areas with significant environmental values only if:
- (a) there is an operational or functional need for the ETN assets to be located in that area ; and
 - (b) the ETN activities are nationally or regionally significant; and
 - (c) the effects management hierarchy is applied.
- “(2) The effects management hierarchy is as follows:
- (a) adverse effects are avoided where practicable; then
 - (b) where adverse effects cannot be avoided, they are minimised where practicable; then
 - (c) where adverse effects cannot be minimised, they are remedied where practicable; then
 - (d) where more than minor residual adverse effects cannot be avoided, minimised, or remedied, offsetting is provided where practicable then
 - (e) if offsetting of more than minor adverse effects is not practicable, compensation is provided; then
 - (f) Option 2A (*same rule for all*) if compensation is not appropriate to address any residual adverse effects:
 - (i) the ETN activities must be avoided if the residual adverse effects are significant; but
 - (ii) if the residual adverse effects are not significant, the ETN activities must be enabled if the national significance and benefits of the ETN activities outweigh the residual adverse effects.
 - (f) Option 2B (*special rule for significant natural areas*) if compensation is not appropriate to address any residual adverse effects:
 - (i) in the case of ETN activities with adverse effects on a significant natural area:

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- (A) the ETN activities must be avoided if the residual adverse effects are significant; but
 - (B) if the residual adverse effects are not significant, the ETN activities must be enabled if the national significance and benefits of the ETN activities outweigh the residual adverse effects; and
- (ii) in all other areas with significant environment values, the ETN activities must be enabled if the national significance and benefits of the ETN activities outweigh the residual adverse effects.”

“(3) When considering offsetting and compensation, have regard to any relevant principles relating to offsetting and compensation set out in any other National Policy Statement or, if there are no relevant principles in a National Policy Statement, any other relevant nationally or internationally recognised principles.”

3.9 Areas that are not areas with significant environment values

- (1) Every regional council must include the following policy (or words to the same effect) in its regional policy statement and regional plan, and every territorial authority must include it in its district plan:

“(1) In relation to areas that are not areas with significant environment values, enable ETN development activities provided the adverse effects of the ETN development activities on the values of the area, including any local amenity values, are avoided, remedied, or mitigated to the extent practicable.

“(2) When considering changes in local amenity values from ETN development activities, recognise that changes in amenity values are not, of themselves, an adverse effect, and that:

- (a) changes that may detract from local amenity values appreciated by some people may result in amenity values appreciated by other people; and
- (b) the changes are likely to have wider benefits to the wellbeing of people and communities, including future generations.”

3.10 Avoiding reverse sensitivity effects

- (1) In order to assist avoiding reverse sensitivity effects on the electricity transmission network:
- (a) territorial authorities must identify any ETN assets in their district, whether they are designated or not; and
 - (b) local authorities must identify in regional and district plans appropriate buffer corridors around ETN assets.
- (2) The purpose of buffer corridors is to identify areas in which sensitive activities that might have reverse sensitivity effects on ETN assets or activities (such as residential housing, schools, and hospitals) are generally not provided for in plans, and resource consents are not granted for them.

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3.11 Electric and magnetic fields

- (1) Provisions in regional or district plans that deal with electric or magnetic fields associated with the electricity transmission network must be based on International Commission on Non-ionising Radiation Protection Guidelines for limiting exposure to time varying electric magnetic fields (1Hz – 100Hz), (Health Physics 99(6):818-836; 2010) (ICNIRP Guidelines) or any other applicable New Zealand standards.

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Part 4: Timing

4.1 Time by which National Policy Statement to be implemented

- (1) This National Policy Statement applies from the commencement date.
- (2) Provisions required by this National Policy Statement to be inserted into regional policy statements, regional plans, and district plans must be inserted within six months of gazettal.
- (3) All other changes to regional policy statements and regional or district plans that are required to give effect to this National Policy Statement need not be made until the next review of the policy statement or plan.

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Proposed National Policy Statement for Renewable Electricity Generation [2023]

Draft for consultation

V 7.4 as at 30/3/2023

Authority

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Part 1: Preliminary provisions

1.1 Title

- (1) This is the National Policy Statement for Renewable Electricity Generation 2023.

1.2 Commencement

- (1) This National Policy Statement comes into force on [to come].
- (2) See Part 4 for timeframes for complying with this National Policy Statement.

1.3 Interpretation

- (1) In this National Policy Statement:

Act means the Resource Management Act 1991

areas with significant environment values means any or all of the following:

- (a) areas with natural character in the coastal environment;
- (b) outstanding natural features and landscapes, both within and outside the coastal environment;
- (c) areas with historic heritage, including sites of significance to Māori and wahi tapu;
- (d) significant natural areas

commencement date means the date on which this National Policy Statement comes into force, as identified in clause 1.2(1).

community-scale REG means renewable electricity generation supplied to a community where:

- (a) the primary purpose is to provide benefits to that community; and
- (b) there is community collective ownership or management of the REG assets used to generate the electricity

decision-maker means any person exercising functions or powers under the Act

effects management hierarchy means the effects management hierarchy described in clause 3.6

planning decision means a decision on any of the following:

- (a) a resource consent:
- (b) a regional policy statement or proposed regional policy statement:
- (c) a regional plan or proposed regional plan:
- (d) a district plan or proposed district plan

REG activity means an activity required for the development, operation, maintenance, or upgrade of REG assets

renewable electricity generation means the generation of electricity from solar, wind, hydro-electric, geothermal, biomass, tidal, wave, or ocean current energy sources

REG assets, or renewable electricity generation assets, means the physical components required for renewable electricity generation along with the assets and infrastructure (such as cabling, access roads, and tracks) required to generate and store the generated electricity and connect it to transmission or distribution networks or direct to end users

repowering, in relation to wind and solar REG assets, means their comprehensive replacement or upgrade, within an existing site, at the end of the asset's operational life or when it becomes cost-effective to replace the existing technology to increase generation output

significant natural area means an area identified in a regional policy statement or plan or through a resource consent process as an area of significant indigenous vegetation or significant habitat of indigenous fauna, following an assessment by a suitably qualified ecologist using ecological significance criteria

small-scale REG means renewable electricity generation where the primary purpose is to provide electricity for on-site residential or on-site commercial use, at an individual site or landholding level

- (2) Terms defined in the Act and used in this National Policy Statement have the meanings in the Act, unless otherwise specified.
- (3) Terms defined in the National Planning Standard issued under section 58E of the Act and used in this National Policy Statement have the meanings in that Standard, unless otherwise specified.

1.4 Relationship with the National Policy Statement for Freshwater Management 2020 and the New Zealand Coastal Policy Statement 2010

- (1) In relation to the development, operation, maintenance, and upgrade of hydro-electricity generation assets, the National Policy Statement for Freshwater Management 2020 prevails over the provisions of this National Policy Statement if there is conflict between them.

- (2) The New Zealand Coastal Policy Statement 2010 prevails over the provisions of this National Policy Statement if there is conflict between them.

1.5 Application of section 55(2A) of Act

- (1) The change to regional plans required by the following clauses are amendments referred to in section 55(2) of the Act (which, because of section 55(2A), means that the changes must be made without using a process in Schedule 1 of the Act):
 - (a) 3.2 (Consideration of national significance and benefits of renewable electricity generation):
 - (b) 3.4 (Consideration of operational and functional needs of REG assets):
 - (c) 3.5 (Recognising and providing for Māori interests in relation to REG activities)
 - (d) 3.6 (Areas with significant environment values):
 - (e) 3.7 (Areas that are not areas with significant environment values)

DRAFT

Part 2: Objective and Policies

2.1 Objective

The Objective of this National Policy Statement is that electricity generated in Aotearoa New Zealand from renewable resources is significantly increased in a timely manner to achieve New Zealand's emissions reduction targets, emissions budgets, energy targets, and associated commitments under any emissions reduction plan:

- (a) through enabling the effective and efficient development, operation, maintenance, and upgrading of renewable generation assets; and
- (b) while managing adverse effects on the environment.

2.2 Policies

The Policies for renewable electricity generation are as follows:

Policy 1: The benefits of increasing renewable electricity generation at any scale are realised at a national, regional, and local level.

Policy 2: Planning decisions:

- (a) recognise and provide for the national significance of REG activities; and
- (b) enable REG activities to occur in a timely and efficient way; and
- (c) recognise and provide for the operational and functional needs of REG assets.

Policy 3: Māori interests in relation to REG activities are recognised and provided for, including through early engagement, protection of sites of significance, and through enabling small and community-scale REG activities.

Policy 4: It is recognised that REG activities may need to take place in areas with significant environment values and, where adverse effects remain after applying the effects management hierarchy, REG activities are enabled if the national significance and benefits of the REG activities outweigh those remaining adverse effects.

Policy 5: In areas that are not areas with significant environment values, REG activities are enabled provided any adverse effects on the values of those areas, including on local amenity values, are avoided, remedied, or mitigated to the extent practicable.

Policy 6: Small-scale and community-scale REG activities are enabled, and adverse effects on the environment are avoided, remedied, or mitigated to the extent practicable.

Policy 7: Reverse sensitivity effects on REG activities are avoided or mitigated where practicable.

Policy 8: The loss of renewable electricity generation output from a region or district is avoided to the extent practicable, unless it can be readily replaced in the region or district.

Policy 9: The timely and efficient upgrade and repowering of existing wind and solar REG assets is enabled.

DRAFT

Part 3: Implementation

3.1 Outline of Part

- (1) This Part sets out a non-exhaustive list of things that must be done to give effect to the objective and policies of this National Policy Statement, but nothing in this Part limits the general obligation under the Act to give effect to that objective and those policies.
- (2) In this Part:
 - (a) subpart 1 sets out matters that decision-makers must consider whenever they make planning decisions relating to REG activities; and
 - (b) subpart 2 sets out how the environmental effects of REG activities are to be managed; and
 - (c) subpart 3 sets out some general requirements relating to maintaining and increasing renewable electricity generation output.

Subpart 1 - Approaches to implementing this National Policy Statement

3.2 Consideration of national significance and benefits of renewable electricity generation

- (1) Every regional council must include the following policy (or words to the same effect) in its regional policy statement and regional plan, and every territorial authority must include it in its district plan:
 - “(1) When making decisions about REG activities, recognise and provide for:
 - (a) the national significance of renewable electricity generation; and
 - (b) the need to significantly increase renewable electricity generation in a timely manner; and
 - (c) the benefits of renewable electricity generation, which include all the following:
 - (i) avoiding, reducing, and displacing greenhouse gas emissions to help mitigate climate change and reduce its adverse effects on the environment and the well-being of people and communities:
 - (ii) using renewable rather than finite resources:
 - (iii) avoiding reliance on imported fuels for the purpose of generating electricity
 - (iv) contributing to the security, resilience, independence, and diversity of electricity supply at national, regional, and local levels:
 - (v) providing for the economic, social and cultural well-being of people and communities:

- (vi) the reversibility of the adverse effects on the environment of some renewable electricity generation technologies.”

3.3 Consideration of cumulative increases and losses in generation output

- (1) When making decisions about REG activities, or other activities that may affect REG activities, decision-makers must recognise that in order to significantly increase renewable electricity generation output:
- (a) the cumulative increase in renewable electricity generation output, at any scale and in any location, is important for achieving the objective of this National Policy Statement and should be enabled; and
 - (b) the cumulative effect of the loss of renewable electricity generation, at any scale and in any location, is detrimental to achieving the objective of this National Policy Statement and should be avoided to the extent practicable.

3.4 Consideration of operational and functional needs of REG assets

- (1) Every regional council must include the following policy (or words to the same effect) in its regional policy statement and regional plan, and every territorial authority must include it in its district plan:

“(1) When considering the operational and functional needs of specific REG assets to be in a particular location, recognise and provide for the need for REG assets:

- (a) to be located where a renewable resource is located and available; and
- (b) to be accessible to electricity transmission or distribution networks; and
- (c) to have sufficient land to support all associated current and future REG activities.”

3.5 Recognising and providing for Māori interests in relation to REG activities

- (1) Every regional council must include the following policy (or words to the same effect) in its regional policy statement and regional plan, and every territorial authority must include it in its district plan:

“(1) When making decisions about REG activities, recognise and provide for Māori interests, including through:

- (a) early engagement with tangata whenua in a way that is meaningful and, as far as practicable, in accordance with tikanga Māori; and
- (b) ensuring that REG activities on or near sites of significance to tangata whenua (including wahi tapu) are undertaken in a way that provides for the significance of the sites; and
- (c) supporting tangata whenua to realise their aspirations by enabling small and community-scale REG activities.”

Subpart 2 – Managing effects on the environment

3.6 Areas with significant environment values

- (1) Every regional council must include the following policy (or words to the same effect) in its regional policy statement and regional plan, and every territorial authority must include it in its district plan:

“(1) Allow REG activities in areas with significant environmental values only if:

- (a) there is an operational or functional need for the REG assets to be located in that area; and
- (b) the REG activities are nationally or regionally significant; and
- (c) the effects management hierarchy is applied.

“(2) The effects management hierarchy is as follows:

- (a) adverse effects are avoided where practicable; then
- (b) where adverse effects cannot be avoided, they are minimised where practicable; then
- (c) where adverse effects cannot be minimised, they are remedied where practicable; then
- (d) where more than minor residual adverse effects cannot be avoided, minimised, or remedied, offsetting is provided where practicable then
- (e) if offsetting of more than minor adverse effects is not practicable, compensation is provided; then
- (f) Option 2A (*same rule for all*) if compensation is not appropriate to address any residual adverse effects:
 - (i) the REG activities must be avoided if the residual adverse effects are significant; but
 - (ii) if the residual adverse effects are not significant, the REG activities must be enabled if the national significance and benefits of the REG activities outweigh the residual adverse effects.
- (f) Option 2B (*special rule for significant natural areas*) if compensation is not appropriate to address any residual adverse effects:

(i) in the case of REG activities with adverse effects on a significant natural area:

- (A) the REG activities must be avoided if the residual adverse effects are significant; but
- (B) if the residual adverse effects are not significant, the REG activities must be enabled if the national significance and benefits of the REG activities outweigh the residual adverse effects; and

(ii) in all other areas with significant environment values, the REG activities must be enabled if the national significance and benefits of the REG activities outweigh the residual adverse effects.”

“(3) When considering offsetting and compensation, have regard to any relevant principles relating to offsetting and compensation set out in any other National Policy Statement or, if there are no relevant principles in a National Policy Statement, any other relevant nationally or internationally recognised principles.”

3.7 Areas that are not areas with significant environment values

- (1) Every regional council must include the following policy (or words to the same effect) in its regional policy statement and regional plan, and every territorial authority must include it in its district plan:

“(1) In relation to areas that are not areas with significant environment values, enable REG activities provided that the adverse effects of the REG activities on the values of the area, including any local amenity values, are avoided, remedied, or mitigated to the extent practicable.

“(2) When considering changes in local amenity values from REG activities, recognise that changes in amenity values are not, of themselves, an adverse effect, and that:

- (a) changes that may detract from local amenity values appreciated by some people may result in amenity values appreciated by other people; and
- (b) the changes are likely to have wider benefits to the wellbeing of people and communities, including future generations.”

3.8 Small-scale and community-scale REG

- (1) Decision-makers must ensure that the effects on the environment (including to local amenity values) of small-scale and community-scale REG activities are avoided, remedied, and mitigated to the extent practicable.
- (2) When considering proposals for small-scale and community-scale REG activities, decision-makers must have particular regard to the benefits of those activities, including:
 - (d) local security of supply; and
 - (e) energy and community resilience; and
 - (f) the reduction and displacement of greenhouse gas emissions; and
 - (g) providing for the economic, social, and cultural well-being of people and communities.

Subpart 3 – Maintaining and increasing generation output

3.9 Upgrading and repowering solar and wind REG assets

- (1) Decision-makers must enable the timely and efficient upgrade and repowering of solar and wind-powered REG assets.

CONSULTATION DRAFT – NOT GOVERNMENT POLICY

- (2) When making decisions relating to the upgrade or repowering of solar and wind-powered REG assets, decision-makers must:
 - (a) have particular regard to the efficiencies and environmental benefits of increasing renewable electricity output within the same or a similar environmental footprint; and
 - (b) consider only the additional adverse effects on the environment of the upgrade or repowering (and not any adverse effects from the existing consented activities).

DRAFT

Part 4: Timing

4.1 Time by which National Policy Statement to be implemented

- (1) This National Policy Statement applies from the commencement date.
- (2) Provisions required by this National Policy Statement to be inserted into regional policy statements, regional plans, and district plans must be inserted within six months of gazettal.
- (3) All other changes to regional policy statements and regional or district plans that are required to give effect to this National Policy Statement need not be made until the next review of the policy statement or plan.

DRAFT

8.6. LGNZ Conference and AGM Attendance 2023

Prepared for: Council
Report No. GOV2318
Activity: Governance Report
Author: Amanda Vercoe, General Manager Governance, Culture, Customer
Endorsed by: Cr Gretchen Robertson, Chairperson
Date: 17 May 2023

PURPOSE

- [1] To agree attendance from ORC at the Local Government New Zealand conference 2023 and Annual General Meeting, and to nominate an ORC presiding delegate who will vote on the remits at the AGM.

EXECUTIVE SUMMARY

- [2] The Local Government New Zealand (LGNZ) conference for 2023 will take place in Ōtautahi Christchurch from 26-28 July. The AGM will take place in person on 26 July.
- [3] Based on 2022's guidance, ORC is entitled to have three representatives attend the AGM. One must be designated the presiding delegate, and that person is responsible for voting at the AGM on the remits submitted by councils.
- [4] A link to the conference programme is [here](#) and includes additional events such as a Young Elected Members Hui (for elected members under the age of 40), a Te Maruata Hui (for Māori elected and appointed members) and Council hosted tours.
- [5] Once Council has confirmed its representatives, staff can assist with registration, travel and accommodation arrangements to support attendance at the conference and the AGM.
- [6] Early bird registrations for the conference close Sunday 11 June 2023. Fees are \$1,495 (early bird) or \$1,605 (standard price). There may be additional costs for networking activities. These costs have been budgeted for within the governance budget.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.
- 2) **Nominates** *[insert Councillor names]* and the Chief Executive as ORC's representatives to attend the LGNZ conference from 26-28 July.
- 3) **Nominates** *[insert up to three names]* to attend the LGNZ AGM on 26 July.
- 4) **Nominates** *[insert name]* as the presiding delegate for the AGM to vote on behalf of the ORC on the remits.

- 5) **Notes** *remits will be shared with councillors once received for discussion ahead of voting.*

BACKGROUND

[7] Nil.

DISCUSSION

[8] Nil.

OPTIONS

[9] To nominate representatives to attend the LGNZ conference and AGM.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[10] ORC is a member of Local Government New Zealand and attendance at the conference and AGM is in line with previous years practice.

Financial Considerations

[11] Costs associated with attending the conference are budgeted for within the governance budget.

Significance and Engagement Considerations

[12] Attending the conference builds engagement for ORC within the local government sector.

Legislative and Risk Considerations

[13] COVID remains a risk to attendees, but the advice from the conference organisers is "We'll follow any government guidance on Covid-19. If you're feeling unwell, please don't attend the conference. If the conference needs to be cancelled due to Covid-19, the registration fee will be refunded less a \$150 administration fee".

Climate Change Considerations

[14] There are emissions associated with travel to Ōtautahi Christchurch for the conference.

Communications Considerations

[15] Conference and AGM attendees may wish to provide a report back to Council after the event.

NEXT STEPS

[16] Once representatives have been confirmed staff will support the registration, travel and accommodation requirements being organised.

ATTACHMENTS

Nil

**9.1. Recommendations of Environmental Implementation Committee
Resolution**

That the Council adopts the resolutions of the [11 May 2023 Environmental Implementation Committee](#).

Report	Resolution	Resolution #	Mover/Seconder
OPS2303 Biodiversity/biosecurity Initiatives and Partnerships	Recommends Council requests the Chairperson write to the Minister of Finance (copy to relevant Ministries) highlighting the issue of transition of Jobs for Nature projects and inability to address transitional funding due to timing of the LTP.	EIC23-106	Cr Wilson / Cr Forbes

**9.2. Recommendations of the Public and Active Transport Committee
Resolution**

That the Council adopts the recommendations of the [10 May 2023 Public and Active Transport Committee](#).

Report	Resolution	Res#	Mover/ Seconder
PPT2301 Regional Public and Active Transport Connectivity Strategy	Recommends that staff progress a staged approach to the development of a regional public and active transport connectivity and that further work is undertaken on scoping a strategy by 20 August 2023.	PAT23-110	Cr Malcolm / Cr Wilson

10.1. Chairperson's Report

Prepared for: Council
Activity: Governance Report
Author: Cr Robertson, Chairperson
Date: 17 May 2023

Farewells

This is the final Council Meeting for both Committee Secretary Liz Spector and Interim Chief Executive Pim Borren. Both will be recognised for their service to the Council at separate functions. I would like to extend my personal thanks for the support they have offered both myself and this Council over the past months.

Attendance at events

20th/21st April Zone 5&6 Meeting in Queenstown

Stuart Crosbie spoke as President of LGNZ. He noted the role of the National Council and their need to consult the sector if they are commenting on matters of national significance. He also noted that the Central and Local Government Forum meet once a year with Cabinet. Stuart spoke on the Future for Local Government and the upcoming report to Government in June this year. While little is expected from a government response perspective, Local Government will be seeking momentum itself as it is viewed as crucial for a sustainable Local Government future. There is also an LG funding scheme being imagined, similar to the LGFA for assisting Councils with schemes like home heating, solar, development fees etc... Discussions and consideration of the voter age for the next local government elections given the court 16+ decision for national voting. Noted the Auckland Council Split and some issues arising given the signalled desire for ongoing community boards, Young Elected Members and Tangata Whenua engagement resourcing Local Government has provided. Stuart thanked all Councils for the huge resourcing involved in making submissions to crucial legislation over the past year.

Each Council was able to speak for five minutes on key issues we have been involved in over the past six months. I spoke about the position our Council is in, having built a strong base from 170-330 staff and the 'change in the way we do things'. We have enough information to know that long term sustained environmental change is needed and only happens when change is self-driven by communities. Local Government has a key role here in leadership empowering communities. We have strategically invested in capacity to provide strong science and with community support staff in areas such as catchment advice. With a new CE in June, ORC enters an important phase of developing strategy and genuine consultation/options to develop our LTP. I spoke of our foci in water (planning, implementation, resilience/hazards, lakes), public transport, biosecurity/ biodiversity and of the surge in positive community-led initiatives regionwide. I acknowledged our local TAs. I am hugely grateful for the relationships lead through local Mayors that sees each Council in Otago wanting to work more closely together than ever before. Indeed, we are far stronger together if we work collaboratively and understand each other's abilities influence outcomes in all the above areas.

I attended a session on the Destination (Regenerative) Tourism Plan for Queenstown Lakes by Mayor Glyn Lewers, QLDC staff, Tim Barke (CEO Lake Wanaka Tourism) and Mat Woods (CEO

Destination Queenstown). Six out of ten people are directly employed in tourism in the area. The key aim is carbon zero by 2030; this includes offsetting locally in credible local initiatives. The speakers were keen to differentiate this project in that it has spent a lot of time asking the community what they want from their home environment/surroundings. Examples of questions asked were why are you still here (given the disruption of COVID), what are your taonga, what would you like your children to live like? Through the project many previously under the radar community projects have been identified. They have been thinking very carefully about how the industry can benefit from local environmental initiatives. Love Wanaka and Love Queenstown funds have been launched about a month ago to help fund local projects.

Minister David Parker (Min for the Environment) and Rachel Brooking (Associate Min for the Environment) spoke at the event. Min Parker spoke about RM Reform. He touched on removing amenity as something to protect as it is a 'driver of nimbyism'. Standardising processes for assessing natural hazards and removing 'first in first served' allocation. Principles for allocation (environmental sustainability, efficiency, fairness) are undefined and will have to be worked out by region. He also mentioned regional planning committees and the ability of Councils to determine their make up (can have staff, Councillors, or appointed experts) and number of Iwi reps (must be at least 2). The first councils to establish under the new models would be assisted with funding to do so.

Simon Watt (opposition spokesperson) also presented. He covered National's alternative to 3 Waters/Affordable Water 'Local Water Done Well'. He said that "water needs to be regulated and we are not better off with the system we had in the past", we need clean water. He noted National will "make some changes to the legislation". He noted that National would create a new water regulator that monitors 3 key areas: monitoring investment, fair pricing and connections, and water quality standards. He noted that operational efficiencies come from well managed/controlled Councils. Ratepayers or taxpayers are going to have to pay either way. He doesn't think that conglomeration of Councils will result in efficiencies noting the CCO model from the Hawkes Bay that has saved \$18M/annum in savings. National's model is based on "communities operating systems backed by a strong regulator". He mentioned the high debt load some councils carry and while borrowing alone may be impossible, like-minded councils could team up and spark financially sustainable approaches through debt/balance sheet separation. National will not mandate this approach but will provide tools for it. Simon spoke mainly on drinking water, wastewater and stormwater were not specifically addressed.

Min Kieran McNulty spoke and understood that alone Otago/Southland will struggle under the entity I and J model. He also acknowledged that being able to push out till 2026 creates uncertainty for councils with staffing and planning but entities can go earlier if they wish. The window is between early 2025 and late 2026. He mentioned that the funding model does not work with rates alone. He mentioned the possibility of an agency for lending and the potential for procurement benefits too. He noted the argument for localism alone does not work when resilience also needs government investment. 3 Waters also needs taxpayer investment.

Susan Freeman-Greene (CEO Local Government NZ) mentioned notable work of LGNZ. Upcoming Super-Local Awards at the LGNZ Conference and a call for nominations. LGNZ has 26 staff. They have a publication called Keeping it Local that is sent to all elected members

keeping them informed of relevant work. A lot of their work is in advocating to LG Minister and Cabinet. They coordinate cycles of local and central meetings and are looking closely at voter turnout in local government, implementing and supporting councils in RM reform, transport work and submitting to transport GPS, Climate change assessing what else they can do to help, reinvigorating their localism work as this is seen as crucial in the sustainable future for local government. Also spoke about the Akona modules providing resources requested by the sector on wellbeing, upskilling, and relevant learning. Many new areas have been developed since the launch last year.

25th April Anzac Day – Laying of the Wreath on behalf of Otago Regional Council

26th April/27th April Council Meeting in Balclutha

In building our presence and accessibility throughout our region, and following from our October Council meeting in Cromwell, we held our recent Council meeting in Balclutha. Mayor Bryan Cadogan assisted us to open our meeting. Mayor Cadogan spoke of shared issues in the area (sediment, hazard management, recreational amenity and water quality) as well as key community issues and projects underway through the Clutha District Council. Mayor Cadogan spoke of strengthening relationships with our Council. I would like to note the manaakitanga (hospitality, kindness, generosity, support) shown for Cr McCall who recently attended a CDC Council meeting and was invited to give a karakia and speak at the beginning of their meeting as well. As Local Government Sector 6 Zone Chair Bryan Cadogan is instrumental in bringing together Mayors and Chairs of Otago and Southland on shared issues.

A local presentation from Shane Boccock of the Pomahaka Water Care Group sat beside 3 other presentations in public forum. Later that day the Council took the opportunity to meet informally with local community reps involved in local environmental enhancement work. Many spoke of the value of meeting ORC Councillors face to face and being able to speak about top-of-mind issues as well as positive local initiatives in a low-key open environment. We also held an early morning informal get-together with Clutha District Council Mayor and Councillors. The Council then visited the Stirling Cheese Factory to hear about ongoing environmental management improvements above existing consented activities as well as the wider business and impacts on local communities. A field trip was also undertaken to the Campbell's Kaihiku Dairy farm. We heard about their trial riparian enhancement work (including drone seeding) and wider pasture management approach. Kim Reilley of MPI also spoke of her role of Otago Regional Manager on-farm support. We spoke of the opportunities to create opportunity and synergy rather than duplication through growing numbers of environmental support officers in rural areas.

28th May PhD Student Research Interview

Participated in a PhD research interview on the potential for Green Infrastructure within Dunedin City.

2nd May Te Mana o Taiari Hui

Te Mana o Taiari is a Department of Conservation funded Ngā Awa River restoration project that is working in partnership with Te Rūnaka o Ōtākou, Kāti Huirapa Rūnaka ki Puketeraki and Otago Regional Council. The project aims to increase the biodiversity values, resilience, and the mana of the awa by working in collaboration with the community.

The purpose of the day was to bring members of the Taiari catchment community together to build relationships, understand the challenges facing those working in the catchment and explore future opportunities

2nd May Otago Southland Rescue Helicopter Service Supporters' Event

Pim Borren, Cr Gary Kelliher and I attended a presentation and tour of Otago/Southland Rescue Helicopter Trust at the Taiari rescue base. The Trust expressed their sincere gratitude for ORC's ongoing funding, especially given the steady increase in call outs year on year.

5th May Joint Workshop: DCC Future Development Strategy

Cr Elliot Weir (Co-Chair Regional Leadership Committee) co-chaired this ORC/DCC joint meeting. It was useful to see the degree of commonality emerging as individual councillors rated emergent priority themes for future development across the city. Many themes emerged around environmental sustainability. Resident views are being gauged currently through a series of community workshops across Dunedin and this input is an important step towards a final strategy.

6th May Tree Planting Ceremony for King Charles' Coronation

Cr Tim Mephram and I attended a ceremonial tree planting with Mayor Jules Radich, mana whenua and other invited guests and community.

9th May Port Liaison Working Group Meeting and Dinner with the Board

Cr Kevin Malcom (Chair Port Liaison Group) chaired a meeting between the Port Otago Board and members and the ORC Port Liaison Group (Kevin Malcom, Lloyd McCall, Tim Mephram, Gretchen Robertson). Kevin Winders presented to the group, and we spoke about the upcoming LTP and ORC strategy development work.

17th May Entity J Mayors, Chairs, Rūnaka, Dept of Internal Affairs/National Transition Unit Meeting

An initial meeting chaired by Mayor Gary Kircher to gauge views of Councils and hear from DIA/NTU's Hamiora Bowett and Heather Shotter. This was an initial non-decision-making meeting.

Key emerging themes were around ensuring any constitution derived by entity J may align with entity I as much as possible. It is also important that while the timing options need to be weighed further, a mid-financial year handover does not create certainty and a start of financial year, 1 July, handover is preferred. This would be within the possible early 2025 through to late 2026 range. Councils are concerned with providing stability and certainty for relevant staff.

Other: Cr Lloyd McCall and I have weekly one-hour meetings scheduled with Pim Borren and Richard Saunders to go over the week ahead (upcoming meetings and events) and discuss any matters arising. I also meet weekly with Richard Saunders to assist in his transition and support projects he will lead after June 1st.

RECOMMENDATION

That the Council:

- 1) **Notes** this report.

ATTACHMENTS

Nil

10.2. Chief Executive's Report

Prepared for: Council
Activity: Governance Report
Author: Pim Borren, Interim Chief Executive
Date: 17 May 2023

- [1] My final CE report. It has been a very enjoyable 12 months and flown by!
 - [2] Reflecting on the past year, there have been a number of challenges. I am most proud of the way Council and senior staff are working together. We have helped bed in the new Council and that bodes well for this triennium.
 - [3] I am also very happy with staff culture. Staff are working hard and largely embraced my preference for them to be working from the ORC offices and building that team focus and collegiality.
 - [4] We have made good progress on our work programmes. I have focused managers on three areas: people management, work plan/project management, and financial management. All three are performing well across ORC.
 - [5] Our staff remain our greatest asset. While I have tried to enable a more strategic focus for both elected members and ELT, ultimately, we all know that “culture eats strategy for breakfast” (quote Peter Drucker).
 - [6] I have been particularly happy that we have been able to retain our most critical staff. There have been almost no losses at all amongst 2nd and 3rd tier managers in my time here.
 - [7] There has been a small improvement in staff turnover, but this is an area which remains challenging given the tight labour market we work in and the many other opportunities which present themselves to well qualified people.
 - [8] In my view our work plans are progressing well. The delays around the LWRP (not our doing) have meant some of the policy and science workplan has had to wait but otherwise everything else is on track.
 - [9] While we had a number of unplanned financial hits, I have been particularly pleased with how our budget managers have responded to the need for caution across all our expenditure. As the Council know I asked for an extra \$4m last December (Cromwell) as a result of several significant unbudgeted and unexpected occurrences. I am pleased to report we are tracking significantly better than expected since then and I anticipate will be much closer to budget now at the end of June 2023.
 - [10] Finally, I would like to thank Council members and staff for their support of my leadership in my time here as Interim CE. I have reported to two Chairs, two Deputy
-

Chairs, and a total of 15 elected members as well as two iwi reps in my 12 months. I have enjoyed building a positive and constructive relationship with each one of those people. A relationship built on mutual respect. Thank you for putting up with me.

Pim Borren
Interim Chief Executive

RECOMMENDATION

That the Council:

- 1) **Notes** this report.

ATTACHMENTS

1. ORC LWRP monthly report - April 2023 [**10.2.1** - 4 pages]
2. Section 27 Response to Minister for the Environment Vegetable Growing First Report Otago Regional C [**10.2.2** - 14 pages]

Council Meeting - 24 May 2023 - CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

ORC REPORT ON PROGRESS AGAINST CRITICAL MILESTONES AND TASKS

Project Name	Project Sponsor	Report Date	Project Start Date	Project End Date
Land and Water Regional Plan for Otago	Anita Dawe	30-Apr-23	1-Jul-21	30-Jun-24

Progress summary and focus for next month
This past month: First drafts of environmental outcomes have been developed and reviewed by internal staff and Iwi and are now being updated to reflect feedback. First draft of region-wide provisions have also been drafted and are being circulated to Iwi and internal staff for review and feedback. Science modelling work is ongoing although overall running a little behind time. The end date for the water quality modelling has been update from 30 April to 31 May. This does not affect the final due date of the plan. The Manuherekia TAG met in late April and current indications are that their reports will be finalised a month late so the end dates for those have been updated to 30 June. This is being actively managed by the Project Sponsor and Science Manager. The economic industry advisory group continues to work on the farmer and grower work and will have their reports delivered on time to the ORC.

Next month: Once Council direction has been received relating to the issues of water quality, provision drafting on water quality will commence, incorporating information from the water quality modelling work science, which will be completing in May. Other region-wide topics provision drafting will continue with feedback from the internal reviews currently underway. Policy will be providing advice to Science on under protection risk and then the hydrological modelling work will be completed. Planning for final engagement at a FMU level will begin. The focus for supporting the governance of the project will be on preparing papers seeking direction on drinking water protection zones and a communications and engagement plan for the remainder of the project through to notification.

RESOURCE MANAGEMENT ACT PROCESS AND CRITICAL TASKS

CP1. Environmental Outcomes, Objectives, Provisions, Rules developed (July 2023)
 CP2. Community consultation prior to formal Schedule 1 process (August - October 2023)
 CP3. Pre-notification consultation (February - April 2024)
 CP4. Public Notification (June 2024)

KEYS

RMA CRITICAL PATH	HEALTH	STATUS
Milestone is on the critical path	Work not yet due to start	1. Not due to start
	Meets or exceeds project expectations	2. Not started
	Issues are being managed within the team and not expected to impact final deadline	3. Ready to start
	Issues impacting project and overall timeline and need escalation and action	4. Start delayed
	Milestone / task finished	5. On hold
		6. In progress
		7. Complete
		8. Withdrawn

Milestone	RMA Critical Path	Baseline	Current	End date variance	Actual End Date	Health & Status	Commentary (inc % progress and reasons and impact of any variations to start and end dates)
		Start date	End date	Start date	End date		
Preparatory and plan writing work to get to community consultation 3							
1	Initial consultations with communities and key region-wide stakeholders complete. This is required by NPS-FM prior to plan drafting	CP1	20-Dec-22		20-Dec-22	Complete	
2	Community and mana whenua values identified with community and mana whenua. This is required by NPS-FM prior to plan drafting	CP1	31-Dec-22		31-Dec-22	Complete	
3	Analysis of feedback from community and key stakeholder consultation complete	CP1	31-Jan-23		31-Jan-23	Complete	
4	Catchment Stories Summary Report complete		30-Jan-23		30-Jan-23	Complete	
5	Region-wide topics plan drafting started		1-Feb-23		1-Feb-23	Complete	100% complete. The start of plan drafting of key region-wide topics is a key milestone. This was reached on time at the start of February 2023. Council workshops and key stakeholder meetings in the second half of 2022 provided direction and information to begin considering region-wide objectives, provisions and rules. The requirement for further governance direction on water quantity, water quality, forestry and drinking water protection zones are scheduled as critical path activities from April to June 2023.

Council Meeting - 24 May 2023 - CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

Milestone	RMA Critical Path	Baseline		Current		End date variance	Actual End Date	Health & Status	Commentary (inc % progress and reasons and impact of any variations to start and end dates)
		Start date	End date	Start date	End date				
6	Further direction from Land and Water Regional Plan governance group on water quantity management sought. This directly informs plan drafting	CP1	6-Apr-23		6-Apr-23		6-Apr-23	Complete	100% complete. Governance meeting held. Additional policy direction provided to policy team on approach to setting limits for rivers and the phasing out of overallocation in the meeting. Feedback and direction on limits for lakes provided via email post meeting.
7	Region-wide hydrological modelling complete. This informs plan drafting	CP1	30-Apr-23		31-May-23	<u>1 month</u>		In progress	This is over 95% complete. Under and over allocated catchments in the model are having final checks undertaken this week. Draft results are being provided to the policy team by 10 May. Final report to be delivered by end of May. This change in end date does not affect the final deadline of the project.
8	Manuherekia hydrological statement finalised by Technical Advisory Group		30-Apr-23		30-Jun-23	<u>2 months</u>		In progress	The Technical Advisory Group met Thursday 27 April. There continues to be challenges with finalising the hydrological statement which are being managed at the Project Sponsor level. The updated end date for this statement is now 30 June 2023.
9	Further direction from Land and Water Regional Plan governance group on water quality management sought. This directly informs plan drafting	CP1	4-May-23		4-May-23			In progress	On track, with 100% of this work complete, pending governance group meeting. Governance meeting scheduled for 4 May. All background papers on water quality for this meeting circulated 28 April 2023.
10	Water quality scenario modelling complete. This directly informs plan drafting	CP1	31-May-23		31-May-23			In progress	This work may be 90% complete, or require significant further work. Policy is considering this currently. This is currently not on track. Science has completed initial modelling, and further remodelling is required for periphyton. Science is waiting for policy to decide the under protection risk before remodelling can be undertaken. Policy is considering this at present. 50% and 20% under-protection risk outputs currently available.
11	Outstanding water bodies identified		31-May-23		31-May-23		30-Apr-23	Complete	Identification of outstanding water bodies 100% completed.
12	Manuherekia ecological flow recommendation provided by Technical Advisory Group		31-May-23		30-Jun-23	<u>2 months</u>		In progress	The Technical Advisory Group met Thursday 27 April. There continues to be challenges with finalising the ecological flow recommendation which are being managed at the Project Sponsor level. The updated end date for this statement is now 30 June 2023.
13	Further direction from Land and Water Regional Plan governance group on drinking water protection requirements sought.	CP1	6-Jun-23		6-Jun-23			Not due to start	
14	Regionally significant wetlands mapped and ground truthed		30-Jun-23		30-Jun-23			In progress	Mapping of regionally significant wetlands has been updated. Groundtruthing continues and will be complete by end June.
15	Land and Water Economic Profile of Otago complete		30-Jun-23		30-Jun-23			In progress	
16	Farmers and Growers Phase 2 report on testing the impact of actions complete		30-Jun-23		30-Jun-23			In progress	Drafts of different industry reports of testing complete and being reviewed by ORC.
17	Threatened species identified (via independent expert panel)		30-Jun-23		30-Jun-23			In progress	Independent panel is being convened in May to identify threatened species and deliver to project by end June.
19	Environmental outcomes, current states and target attribute states determined for all FMUs	CP1	30-Jun-23		30-Jun-23			In progress	50% complete. First draft of environmental outcomes has been completed and reviewed. Feedback is now being incorporated into updated outcomes. Current state and target attribute state data being presented to May governance group meeting. Additionally, direction on the approach to setting interim target attribute states is being taught as the May governance group meeting. After this work can continue on finalising outcomes, target attribute states and interim states for 30 June deadline.
20	Māori economy report completed by ORC and Iwi		31-Jul-23		31-Jul-23			In progress	Draft due 30 June. Iwi to review July.

Council Meeting - 24 May 2023 - CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

Milestone	RMA Critical Path	Baseline		Current		End date variance	Actual End Date	Health & Status	Commentary (inc % progress and reasons and impact of any variations to start and end dates)
		Start date	End date	Start date	End date				
21	Higher allocation catchment assessments complete (excluding Taieri)		31-Jul-23		31-Jul-23			In progress	This work is tracking to time. Completion varies by catchment. Habitat modelling has been completed. Catchment assessments are being done in tranches, with first three to April successfully completed on time Next tranche over 50% complete and due to be complete by end May.
22	All draft region-wide objectives, policies, provisions, rules complete	CP2	31-Jul-23		31-Jul-23			In progress	Milestone tracking to time based on successful completion of CP1 tasks about which are all currently on track to be delivered on or before their due dates.
23	Draft Catlins FMU Chapter complete		31-Jul-23		31-Jul-23			Not due to start	FMU Chapter development is due to begin once environmental outcomes, target attribute states, interim target attribute states and region-wide provisions are developed.
24	Draft Clutha/Mata-Au Chapter complete		31-Jul-23		31-Jul-23			Not due to start	FMU Chapter development is due to begin once environmental outcomes, target attribute states, interim target attribute states and region-wide provisions are developed.
25	Draft Dunedin and Coast Chapter complete		31-Jul-23		31-Jul-23			Not due to start	FMU Chapter development is due to begin once environmental outcomes, target attribute states, interim target attribute states and region-wide provisions are developed.
26	Draft North Otago Chapter complete		31-Jul-23		31-Jul-23			Not due to start	FMU Chapter development is due to begin once environmental outcomes, target attribute states, interim target attribute states and region-wide provisions are developed.
27	All draft FMU chapters complete (except Taieri and Manuherekia Rohe)	CP2	31-Jul-23		31-Jul-23			Not due to start	This milestone will be completed once all individual FMU chapters have been delivered.
28	Draft introduction, how the plan works, interpretation chapters complete		30-Sep-23		30-Sep-23			In progress	Early drafting has begun on this chapter which is ahead of schedule.
29	Draft national direction chapter and regional context content complete		30-Sep-23		30-Sep-23			In progress	Early drafting has begun on this chapter which is ahead of schedule.
30	Draft mana whenua chapter complete		30-Sep-23		30-Sep-23			In progress	ORC and Iwi are working on the integration of mana whenua values, objectives, and outcomes into the plan document and what will be contained in a mana whenua chapter at present. The mana whenua chapter will only contain what is legally required for that chapter following integration throughout the plan.
31	Draft schedules and appendices complete		30-Sep-23		30-Sep-23			In progress	A list of schedules and appendices has been compiled. The next step is to determine what changes and new schedules are required following the development of region-wide and FMU specific provisions. The internal approach to developing maps is being determined in May so that maps can then be updated or commissioned and delivered by end Sep 23.
32	Draft Taieri Chapter complete		30-Oct-23		30-Oct-23			Not due to start	
33	Manuherekia Rohe chapter complete	CP2	31-Oct-23		31-Oct-23			Not due to start	This will begin once the Manuherekia Rohe work is complete.
Community consultation prior to formal Schedule 1 process									
34	3rd and final community and key stakeholder consultation planning initiated		1-Jun-23		1-Jun-23			In progress	Initiation meeting scheduled for 2 May, so this milestone is almost complete.
35	Community consultation 3 meetings complete	CP2	30-Sep-23		30-Sep-23			Not due to start	
36	Key stakeholder report backs on region-wide topics complete		30-Sep-23		30-Sep-23			Not due to start	
37	Report back to Manuherekia Rohe community on provisions and rules for Rohe	CP2	15-Oct-23		15-Oct-23			Not due to start	
38	Economic Impact Assessment of draft plan complete (To inform the Section 32 Report)		30-Oct-23		30-Oct-23			Not due to start	
39	Full draft plan reviews by Planning Lead, affected ORC teams, Iwi, Legal complete		30-Nov-23		30-Nov-23			Not due to start	

Council Meeting - 24 May 2023 - CHAIRPERSON'S AND CHIEF EXECUTIVE'S REPORTS

Milestone	RMA Critical Path	Baseline		Current		End date variance	Actual End Date	Health & Status	Commentary (inc % progress and reasons and impact of any variations to start and end dates)
		Start date	End date	Start date	End date				
40	Draft Proposed Land and Water Regional Plan and draft Section 32 report complete. These are required in order for Clause 3 & 4A pre-notification and notification	CP3	30-Nov-23	30-Nov-23	30-Nov-23			In progress	Plan authors are collating supporting evidence as they develop plan chapters throughout. The Section 32 Report involves a significant amount of work which is being worked on iteratively as the plan is developed. The project is monitoring any additional resources required here.
41	Draft Land and Water Regional Plan complete and ready for pre-notification consultation	CP3	30-Nov-23	30-Nov-23	30-Nov-23			Not due to start	
Pre-notification consultation and public notification									
42	Draft Proposed Land and Water Regional Plan pre-notification consultation with Iwi and statutory parties (under RMA Sch 1, clause 3 and 4A) completed	CP4	28-Feb-24	28-Feb-24	28-Feb-24			Not due to start	
43	Draft Proposed Land and Water Regional Plan pre-notification consultation with Iwi and statutory parties (under RMA Sch 1, clause 3 and 4A) completed	CP4	30-Apr-24	30-Apr-24	30-Apr-24			Not due to start	
44	Updates to Draft Proposed Land and Water Regional Plan complete		31-May-24	31-May-24	31-May-24			Not due to start	
45	Section 32 report complete		31-May-24	31-May-24	31-May-24			Not due to start	
46	Otago Regional Council resolution to notify Proposed Land and Water Regional Plan for Otago	CP4	14-Jun-24	14-Jun-24	14-Jun-24			Not due to start	
47	Proposed Land and Water Regional Plan for Otago publicly notified	CP4	28-Jun-24	28-Jun-24	28-Jun-24			Not due to start	

Our Ref: A1791558



17 May 2023

Minister for the Environment
Private Bag 18041
Parliament Buildings
Wellington 6160

BY EMAIL: d.parker@ministers.govt.nz

Dear Minister

Report under Section 27 of the Resource Management Act 1991

In accordance with your letter of 4 April 2023 requesting annual reporting under section 27 of the Resource Management Act 1991 (RMA) on the Otago Regional Council's (ORC) intentions to provide for vegetable production when developing freshwater planning instruments (land and water plans) that give effect to the National Policy Statement for Freshwater Management 2020 (NPS-FM), Council is providing you with its first annual report.

This report provides:

- Context overview:
 - Scale and location of existing and potential vegetable growing areas in Otago
 - Environmental pressures typically associated with vegetable growing.
 - Current state of the environment and trends in areas with vegetable growing in Otago.
- Overview of how ORC will
 - provide for vegetable production in proposed and upcoming planning instruments, including how these will enable crop rotation and allow for expansion of the production area; and
 - improve its understanding of the impacts of these planning instruments on existing vegetable production, and the potential for future expansion of this land-use.

While this report outlines how ORC's forthcoming proposed Land and Water Regional Plan (pLWRP) will provide for vegetable production, it also summarises the approach taken by the proposed Regional Policy Statement for Otago (pORPS). This is because the pORPS sets the policy direction that will be implemented by the forthcoming pLWRP, while also being ORC's primary instrument for protecting highly productive land for use in land-based primary production.

Context Overview

Scale and location of existing and potential vegetable growing areas in Otago

The maps in Appendices 1 and 2, which were developed using AgriBase survey data, show areas in Otago where vegetable growing is known to occur. The following key conclusions can be derived from these maps:



- Vegetable production occurs in several Freshwater Management Units (FMU), including the North Otago, Taieri, Dunedin and Coast, and Clutha Mata-Au FMUs;
- The main centres for vegetable production in Otago appear to be located predominantly on limestone-based soils (Melanic) south of Oamaru in the North Otago FMU and on the sandy loam soils (Recent) near Outram in the Taieri FMU; and
- The area used for vegetable growing is small compared to other land uses in Otago.

The scale of operations of commercial vegetable production in Otago has changed over time. In general, there has been a decrease in overall number of individual growing businesses (Figure1) and a decrease in overall growing area (Figure 2) in recent times.¹ This decrease in overall growing area may be partly caused by urban development into vegetable production areas close to urban centres.²

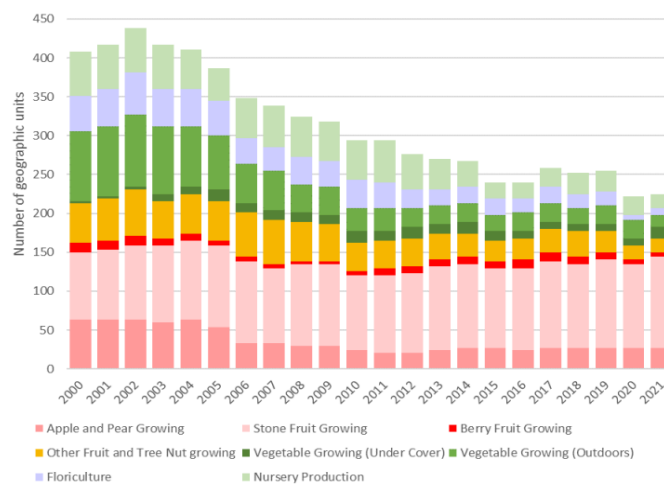


Figure 1: Geographic business units (i.e. property) by horticulture industry in Otago 2000-2021 (Source: Otago Regional Council & Industry Advisory Group, 2022)

¹ The general trend in the region shows a decline in overall vegetable production area. However, it should be noted that vegetable production can be hard to track because of crop rotations and the use of lease land.

² [Otago Regional Council – Industry Advisory Group \(2022\) Farmers and Growers in Otago. Prepared EM Consulting, p143.](#)

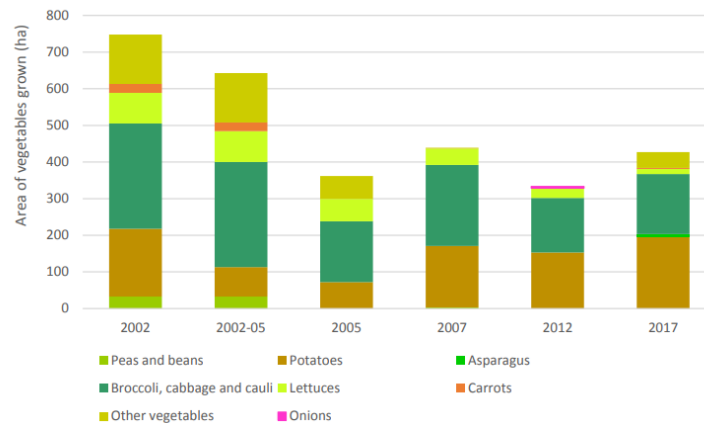


Figure 2: Changes in the extent of vegetables crops grown outdoors (for the years available) 2002-2017 (Source: Otago Regional Council & Industry Advisory Group, 2022)

The map in Appendix 3 shows land area mapped as Land Use Capability (LUC) classes 1, 2 and 3 which is defined as highly productive land (HPL) under the National Policy Statement for Highly Productive Land (NPS-HPL). The map indicates that the largest areas mapped as LUC classes 1-3 are located near the coast of Otago, although areas mapped as LUC classes 1-3 are also present further inland. Land categorised as HPL is generally considered to be the most suitable for vegetable growing.

Overall, the above information suggests that while the total area currently occupied by vegetable production in Otago is limited and this sector has seen a recent decline in the number of businesses and total land area, the potential for future growth of this sector does not appear to be limited by a lack of LUC classes 1-3 land. Therefore, it is considered appropriate for the forthcoming pLWRP to take a proactive approach to managing activities or practices associated with vegetable production.

Environmental pressures typically associated with vegetable growing

The main pressure from vegetable growing on the environment is the use of herbicides and pesticides, fertilisers, water for irrigation and soil disturbance by machinery.

Herbicides and pesticides are applied to growing areas to ensure only preferred plant grow. However, they will disperse into the environment and can negatively impact nearby plant and animal communities. Accumulation in the environment over time can lead to enriched levels of chemicals in ground and surface water.

The growth of vegetables needs high amounts of nutrients that cannot be supplied from soil only. Fertilisers are therefore often used to ensure high crop yield. The drawback of fertiliser use is that it can lead to elevated nitrogen (N) levels in ground and surface water (see SoE Report 2021).

In addition, vegetable farming has also physical impacts in the environment. These are mainly water consumption and top-soil disturbance. Water takes can lead to low flows in rivers and negatively impact ecosystem health. Top-soil disturbances can lead to increased sediment loads in rivers. These

sediments often also carry nutrients which can favour the growth of algae, while deposited sediments can smother macroinvertebrate habitat and reduce ecosystem health.

Current state of the environment in areas where vegetable growing currently occurs

State of the Environment (SOE) surface water monitoring sites close to the main centres for vegetable production in Otago show low Macroinvertebrate Community Index scores (MCI) and high E.Coli and Chlorophyll *a* concentrations.³ However, ORC currently does not have any information as to the exact causes of those SOE monitoring results.

ORC also monitors several groundwater bores near vegetable growing areas. Most of these bores show high levels of nitrate (ORC, 2021) and some show elevated concentrations of pesticides and herbicides (ESR, 2019).

As part of the development of the pLWRP, ORC is working on an enhanced framework for managing the discharge of contaminants, including nitrogen, pesticides and herbicides (see below).

Relevant management approach set by ORC's new and upcoming planning framework

The pORPS and pLWRP both contain directions that will be relevant for vegetable growing activities.

The pORPS was notified on 26 June 2021, and the freshwater planning instrument parts of the pORPS were re-notified on 30 September 2022. The pLWRP is currently under development and scheduled to be notified by 30 June 2024.

Overview of relevant provisions in the pORPS

The pORPS provides an overarching policy framework that identifies and drives progress on significant resource management issues facing the Otago region and incorporates direction from national planning instruments. That national direction includes:

- the NPS-FM, which seeks to give primacy to the health and well-being of water bodies and freshwater ecosystems as a first priority and the health needs of people as a second over and above any other use of or demand on freshwater.
- and the NPS-HPL, whose sole objective (Clause 2.1) is to ensure that HPL is protected for use in land-based primary production, both now and for future generations.

Overall, the direction set by the objectives and policies in the pORPS allows for vegetable production to occur provided it is undertaken in a manner that is consistent with the fundamental concept and principles of Te Mana o te Wai and maintains water quality, while allowing for improvement where water quality is degraded.

Where consistent with priority 1 and 2 and the fundamental concept of Te Mana O Te Wai , the pORPS will allow for vegetable production to occur and will not prevent further expansion of this land use

³ The closest water quality State of the Environment monitoring site for the vegetable growing h area near Oamaru is Kakanui at McCones, and the closest SOE site to the Outram vegetable growing area is Contour Channel at No. 4 Bridge.

through provisions that provide for the protection of the health, productive capacity and mauri of soil; and ensure that highly productive land remains available for land-based primary production.

To better protect the availability and productive capacity of highly productive land (including that intended to be used for vegetables) the pORPS provisions direct:

- ORC to identify highly productive land (through collaboration with mana whenua and district councils) and map highly productive land in its pORPS; and
- Territorial authorities to amend their district plans to better protect highly productive land from inappropriate use of development.

A detailed overview of key pORPS provisions (including objectives, policies and methods) that seek to give effect to relevant national planning instruments and may impact on existing vegetable growing activities or on the potential for this land use to expand is included in Appendix 4.

Overview of the potential management approaches and controls that may be included in the pLWRP

The forthcoming pLWRP must give effect to the relevant RPS for Otago and to relevant national direction, including the NPS-FM.⁴

Because the draft provisions of the pLWRP are still being developed it is currently not possible to give a complete and accurate overview of the actions that may be enabled or required by the pLWRP and that may impact on current and future vegetable production in Otago.

Despite this, both the NPS-FM and pORPS, set clear direction in terms of the objectives and controls that must be promulgated in the pLWRP and through engagement with communities, stakeholders and mana whenua, potential approaches for managing different land uses and activities in the pLWRP have been developed.

Key provisions that will be included in the pLWRP and that are likely to have an impact on vegetable production practices or the potential for future expansion of this land use type are:

- **Environmental outcomes:**
Environmental outcomes must be set in the pLWRP for the NPS-FM compulsory values, such as *ecosystem health* and *human contact*, as well as for all other values that have been identified for Otago's FMUs and rohe. Community consultation undertaken in the period November 2021 to April 2022 has identified *irrigation, cultivation and production of food and beverages* as a value that applies to all FMUs and rohe in the region.
- **Target attribute states**
Work is currently underway to set draft **target attribute states** (TASs) and interim target attribute states (or alternative assessment criteria, where attributes cannot be identified or are insufficient to assess a value). These draft TASs will inform the development of restrictions or controls, which may impact on vegetable production, or any activities typically associated with this land use.
- **Limits on resource use.**
ORC is in the process of developing a range of limits on resource use to manage the adverse environmental effects of different types of activities and land uses. Where appropriate these

⁴ It should be noted that the NPS-HPL does not include specific requirements for regional councils to amend their regional plans.

limits may go beyond the minimum requirements set by the National Environmental Standard for Freshwater (NES-F) in order to meet the environmental outcomes set in the pLWRP.

- **Environmental flows and levels and take limits**
The pLWRP will set environmental flows and levels and take limits for all rivers, lakes and aquifers in the Otago region.
- **Freshwater Farm Plans**
Once the FW-FP regulations take effect, the pLWRP will allow for the management of effects of land use practices associated with vegetable growing through the development and implementation of Freshwater Farm Plans (FW-FPs).

A more detailed overview of the different planning mechanisms that will or may be set in the pLWRP and have an impact on vegetable production and the key NPS-FM and pORPS provisions that support or require the use of these mechanisms is included in Appendix 5.

Overall, the pLWRP will seek to achieve a range of environmental outcomes, including outcomes that support vegetable production as an economic value. In doing so, the pLWRP will enable this land use and associated land management practices, such as crop rotation, to occur and expand as long as the health of freshwater bodies and associated ecosystems (as a first priority) and the health and well-being needs of people (as a second priority) is being provided for and the activity is unlikely to cause a water body to become (further) over allocated or degraded.

Understanding the economic impacts of ORC new freshwater planning framework on vegetable production

As part of the wider programme for developing the pLWRP, ORC is undertaking an economic work programme that has been designed to:

- evaluate the (potential) economic impacts of management approaches and controls that are being considered for inclusion in the forthcoming pLWRP; and
- provide communities and decision-makers with a better understanding of what the changes proposed under the pLWRP may mean for resource users, communities and mana whenua.

There are four projects:

- **Regional Economic Profile for Fresh Water** – explores the use and value of water for Otago's diverse economic sectors and industries.
- **Farmers and Growers** – working with the Ministry of Primary Industries (MPI) and technical experts from the agricultural, horticultural and viticulture sectors and drawing on the MPI National Farm Monitoring Programme, this project seeks to:
 - Establish the current regulatory baseline applying to different types of rural businesses (Phase 1)
 - Evaluate the impacts of actions required by the pLWRP on these different types of rural businesses in terms of profitability, production, and employment (Phase 2).
- **Catchment Stories** – This project will provide an overview of what local communities are already doing to manage land and water and their specific issues and challenges.
- **Te Ōhaka ki Kāi Tahu** – This project will be considering the Ōhaka (both historical and present day) of the pLWRP for Kai Tahu. It will also look to highlight the kaitiakitaka and manaakitaka of mana whenua in catchments ki uta ki tai (from the mountains to the sea).

Together these four projects will inform the economic impact assessment that will be prepared by ORC to support the evaluation required under Section 32 of the RMA in terms of:

- the appropriateness of the pLWRP's objectives in achieving the purpose of the RMA
- the efficiency and effectiveness of the pLWRP's policies and methods (provisions) in terms of their achieving the objectives.

The Farmers and Growers project specifically will allow for the consideration of the impacts of the pLWRP on vegetable production in Otago.

Conclusion

In summary, the two principal responses of ORC to give effect to the NPS-FM are the pORPS and the development of the pLWRP. The pORPS will protect existing vegetable growing operations from inappropriate development and enable further expansion of the total vegetable production area by setting strong policy direction for the protection of soil health and safeguarding highly productive land. The forthcoming pLWRP will seek to ensure that that this land use will not prevent the achievement of the environmental outcomes for freshwater set in the pLWRP. While the pLWRP and pORPS do not prevent vegetable growers to practice crop rotation, the pLWRP will include certain limits, restrictions or requirements for vegetable growers to make sure any potential adverse effects of this land use on freshwater are managed.

Yours sincerely



Gretchen Robertson

Chairperson

REFERENCES

AgriBase Agricultural database

ESR (2019). National survey of pesticides and Emerging Organic Contaminants in groundwater 2018. Prepared by Murray Close and Bronwyn Humphries.

Otago Regional Council – Industry Advisory Group (2022) Farmers and Growers in Otago. Prepared by EM Consulting.

Otago Regional Council groundwater SoE report (2021). <https://www.orc.govt.nz/media/9785/otago-groundwater-soe-report-march-2021.pdf>

Appendix 1: Current locations of vegetable growing in Otago

Vegetable growing in Otago

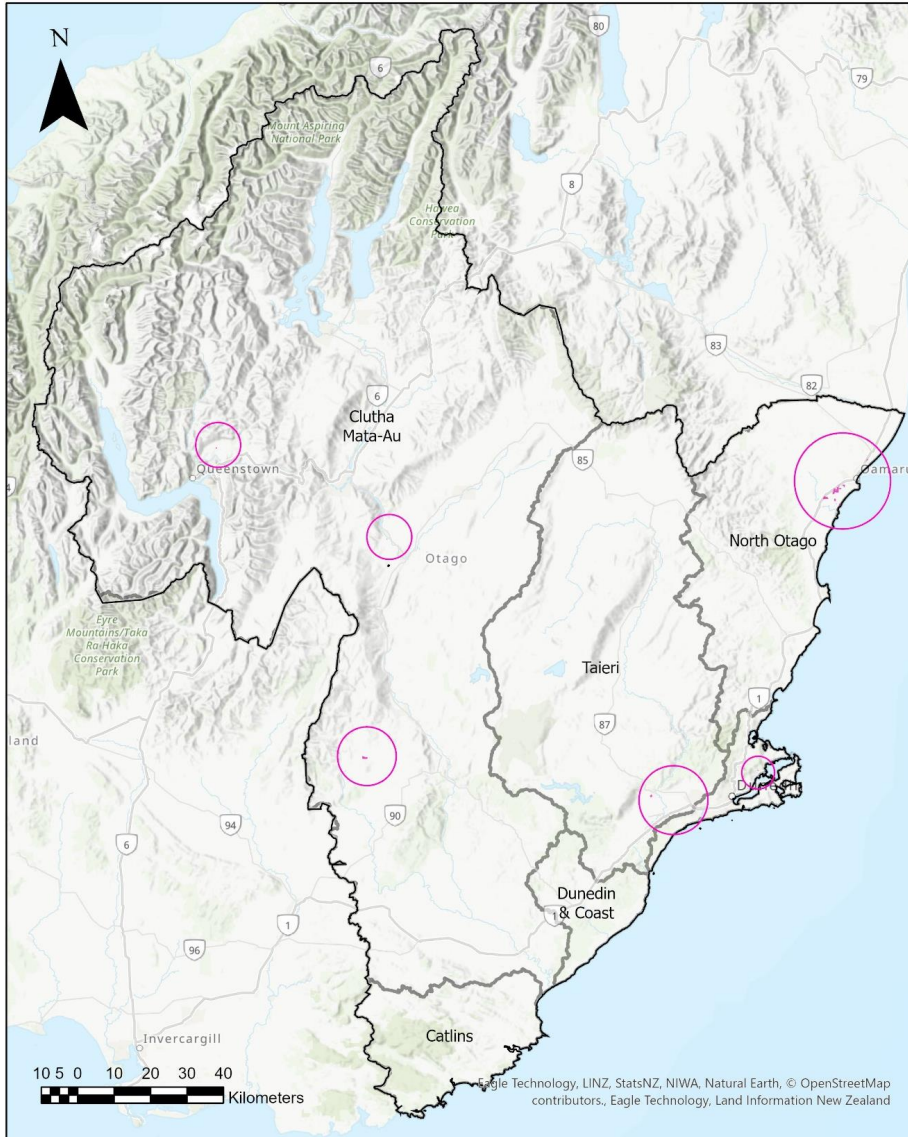
Land Use 2022 Otago

agri_code

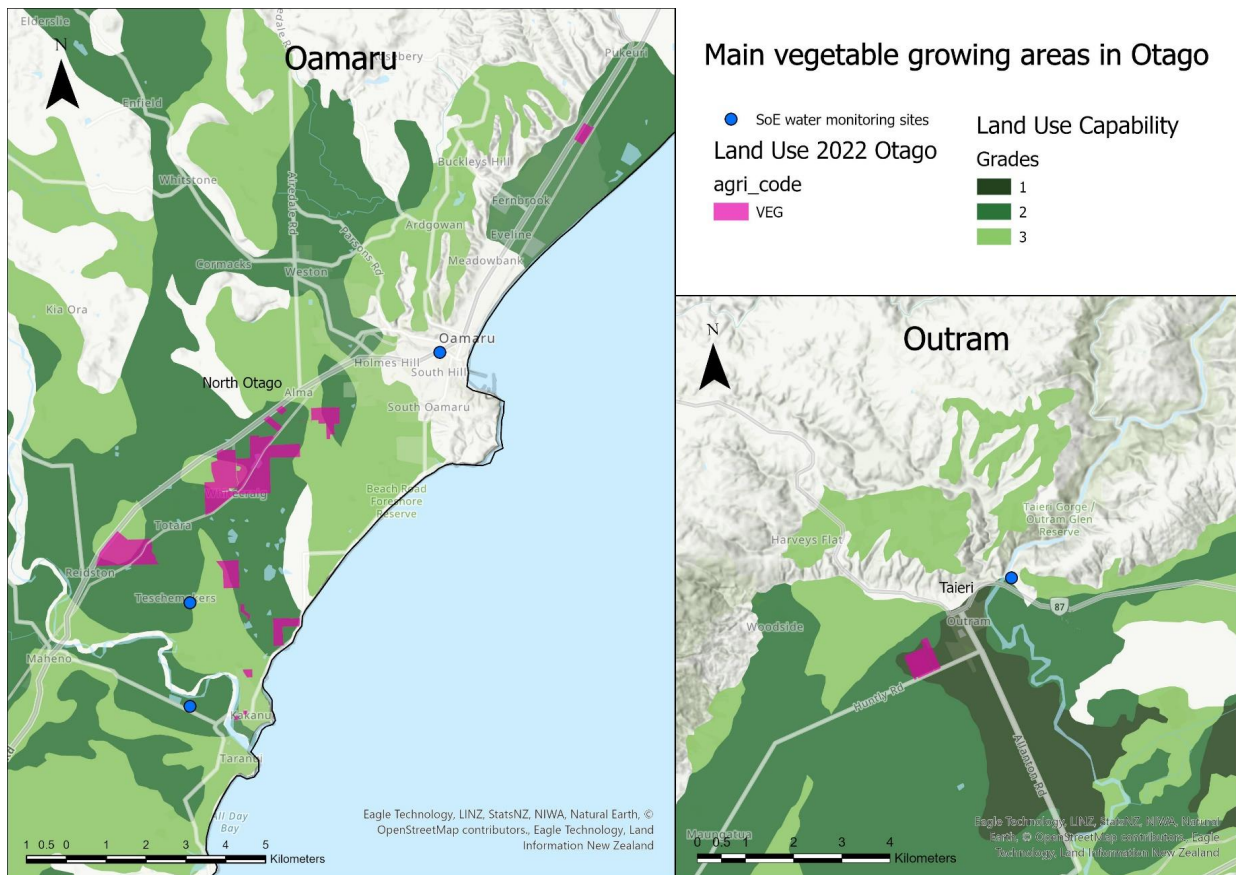
VEG



highlight the location of vegetable growing areas



Appendix 2: Main centres of vegetable growing in Otago



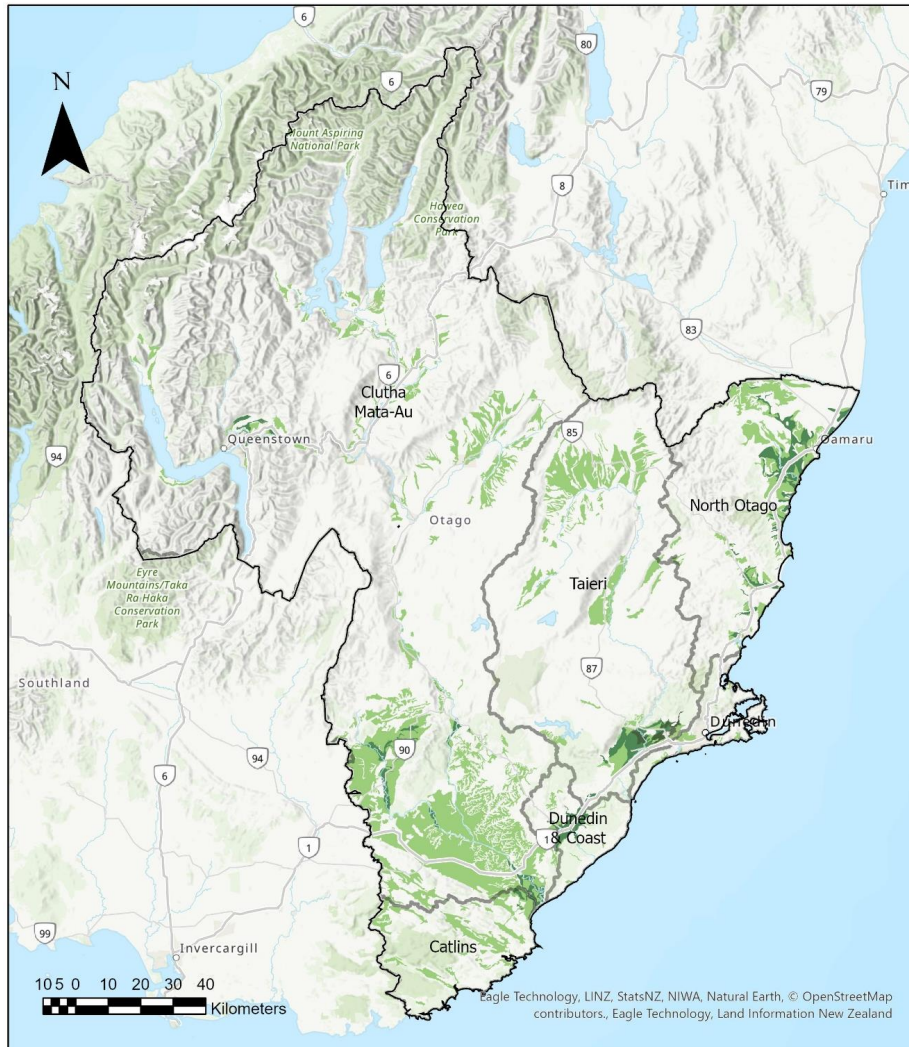
Appendix 3: Highly productive land in Otago

Highly Productive Land in Otago

Land Use Capability

Grades

- 1
- 2
- 3



Appendix 4: Overview of key pORPS provisions likely to impact on vegetable production

pORPS Provision	Summary of relevant aspects of this provision
Land and Freshwater – Land and Soil	
Objective LF-LS-O11*	Requires that the life-supporting capacity of soil is safeguarded.
Objective LF-LS-O11A**	Requires the maintenance of the availability and productive capacity of highly productive land for land-based primary production.
Objective LF-LS-O12*	Ensures that land use contributes to achieving environmental outcomes for fresh water.
Policy LF-LS-P17	Requires that the use and development of land is managed in a way that maintains the mauri, health and productive potential of soils.
Policy LF-LS-P19*	Requires that the availability and productive capacity of highly productive land is maintained by: <ul style="list-style-type: none"> - identifying highly productive land - prioritising the use of highly productive land for primary production - managing urban development in rural areas.
Policy LF-LS-P20*	Promotes changes in land use or land management practices that improve: <ul style="list-style-type: none"> - the sustainability and efficiency of water use - the health and quality of soil. - water quality
Policy LF-LS-P21	Requires that the improvement or maintenance of water quantity or quality to meet environmental outcomes is achieved by: <ul style="list-style-type: none"> - reducing direct and indirect discharges of contaminants to water from the use and development of land, and - managing land uses that may have adverse effects on the flow of water in surface water bodies or the recharge of groundwater.
Method LF-LS-M11A**	Requires that ORC through collaboration with territorial authorities, and in consultation with tangata whenua, identifies highly productive land in Otago and includes maps of the highly productive land in its RPS.
Method LF-LS-M12*	Requires that district plans are prepared, amended and maintained to maintain the availability and productive capacity of highly productive land.
Urban form and development	
Objective UFD—O4*	Ensures that the development of rural areas will occur in a way that avoids the loss of highly productive land and provides for the ongoing use of rural areas for primary production.
Policy UFD—P4*	Requires that urban expansion avoids highly productive land.
Policy UFD—P7*	Requires that in the management of rural areas the productive capacity is maintained and primary production on highly productive land is prioritised.
Policy UFD—P8*	Requires that the establishment, development or expansion of rural lifestyle and rural residential zones occurs only where highly productive land, as the first priority, is avoided, and minimises the impacts on existing primary production and rural industry and other rural activities.
* This provision was included in the notified pORPS but further amendments have been recommended by reporting officers, to the Hearing Panel.	
** This provision was not included in the notified pORPS but is an amendment recommended by reporting officers, to the Hearing Panel.	

Appendix 5: Key NPS-FM and pORPS requirements with respect to the pLWRP that may impact on vegetable production

Relevant NPS-FM /pORPS provision	Implications for the pLWRP	(Potential) objectives, limits and rules to be included in the pLWRP
<p>NPS-FM Clause 3.9</p> <p>pORPS Method LF-FW-M6</p>	<p>The pLWRP must state environmental outcomes, set as an objective, for each of the identified values that apply to an FMU.</p>	<p>The pLWRP will include environmental outcomes for a range of values. Environmental outcomes will be set in the pLWRP for the NPS-FM compulsory values, such as <i>ecosystem health</i> and <i>human contact</i>, as well as for the value <i>irrigation, cultivation and production of food and beverages</i>, which includes vegetable growing and can be categorised as a being within the third priority set out in Clause 2.1 of the NPS-FM.</p> <p>The pLWRP will need to ensure the framework that sets out the environmental outcomes that apply to vegetable production as an economic activity prioritise the health of freshwater bodies and associated ecosystems (as a first priority) and the health and well-being needs of people (as a second priority).</p>
<p>NPS-FM Clause 3.11</p>	<p>In order to achieve the environmental outcomes in its plan ORC must set target attribute states (TASs) (or alternative assessment criteria, where attributes cannot be identified or are insufficient to assess a value) for all values identified. TASs (or alternative criteria) must be set to ensure that the plans environmental outcomes are achieved.</p> <p>A TAS must be set at or above the baseline state of that attribute. If the baseline state of an attribute is below any national bottom line for that attribute, the TAS must be set at or above the national bottom line.</p>	<p>Work is underway to identify baseline states and develop draft TASs for the pLWRP. These draft TASs will inform the development of limits and rules to be included in the pLWRP. The limits and rules may include restrictions or controls (such as permitted activity conditions, consent requirements) on vegetable production or any activities typically associated with this land use where:</p> <ul style="list-style-type: none"> • environmental outcomes for freshwater are currently not being met; or • these land uses or activities could result in degradation.
<p>NPS-FM Clause 3.14</p> <p>pORPS Method LF-FW-M6</p>	<p>To achieve the plan's environmental outcomes the pLWRP must include limits on resource use that manage the adverse effects on water bodies that can arise from the use and development of land.</p> <p>Limits on resource use may be expressed in the plan as</p> <p>(i) a land-use control (such as a control on the extent of an activity)</p>	<p>ORC is currently considering a range of limits on resource use to manage the adverse environmental effects of different types of activities and land uses.</p> <p>These limits, which may have an impact on the economic viability of vegetable production or on the manner in which land management practices associated with this land use are undertaken, may go beyond the minimum requirements set by the National Environmental Standard for Freshwater (NES-F).</p>

Relevant NPS-FM /pORPS provision	Implications for the pLWRP	(Potential) objectives, limits and rules to be included in the pLWRP
	(ii) an input control (such as an amount of fertiliser that may be applied) (iii) an output control (such as a volume or rate of discharge)	
NPS-FM Clause 3.16	To achieve the environmental outcomes in the pLWRP, the plan must state environmental flows and levels for each FMU of for different parts of an FMU.	ORC is currently developing environmental flows and levels and take limits for all water bodies (rivers, lakes and aquifers) in its region. These environmental flows and levels will determine the point at which the taking of water for out of stream uses, such as irrigation, or for water storage must be reduced or cease, while take limits will determine the maximum quantity of water that may be dammed or taken.
pORPS Method LF-FW-M6	To achieve environmental flows and levels in the pLWRP, the plan must state take limits that:	Environmental flows and levels may impact on the reliability of supply for vegetable production (where this activity relies on irrigation), while take limits may impact on the availability of irrigation water for existing vegetable production or on the potential for expansion of this land use.
NPS-FM Clause 3.17	(i) Provide for flow or level variability; (ii) Safeguard ecosystem health; (iii) Provide for the life cycle needs of aquatic life; and (iv) Take into account the environmental outcomes for freshwater.	Environmental flows and levels may impact on the reliability of supply for vegetable production (where this activity relies on irrigation), while take limits may impact on the availability of irrigation water for existing vegetable production or on the potential for expansion of this land use.
pORPS Method LF-LS-M11	The Regional Plan must manage land uses that may affect the ability of environmental outcomes for water quality to be achieved by requiring the development and implementation of certified freshwater farm plans (FW-FP). The Regional Plan must manage land uses that may affect the ability of environmental outcomes for water quality to be achieved by requiring and provide for changes in land use that improve the sustainable and efficient allocation and use of water.	Once the FW-FP regulations take effect in the Otago region, the pLWRP will allow for the management of effects of land use practices associated with vegetable growing operations through the development and implementation of Freshwater Farm Plans (FW-FPs). FW-FPs will be required for vegetable growing operations that are 5 hectares or more (or 20 hectares or more where the activity compromises a combination of vegetable growing and other use(s)). Further consideration will be given to the need to require FW-FPs for smaller scale vegetable growing operations where this is considered appropriate in order to achieve the pLWRP entitle outcomes. It is anticipated that the pLWRP will enable the conversion of land to vegetable growing activities where the impact of this activity is unlikely to have an adverse impact on the health of freshwater by causing a water body to become (further) over allocated or degraded.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under [section 48\(1\)](#) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<i>Confidential Minutes of the 26 April 2023 Council meeting</i>	<p>To protect information where the making available of the information— would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)</p>	<p>Section 48(1)(a): Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<i>3.1 Chief Executive Performance Agreement and Review Timetable 2023/24</i>	<p>To protect the privacy of natural persons, including that of deceased natural persons – Section 7(2)(a)</p>	<p>Section 48(1)(a): Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely</p>

		to result in the disclosure of information for which good reason for withholding would exist.
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This resolution is made in reliance on [section 48\(1\)\(a\)](#) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by [section 6](#) or [section 7](#) of that Act or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.