Transforming the Resource Management System: Opportunities for Change – feedback from Genesis

1. Introduction

Genesis Energy Limited (Genesis) welcomes the opportunity to provide feedback on the *Transforming the resource management system: Opportunities for Change Issues and Options Paper* (the Paper).

Genesis supports the establishment of the Resource Management Review Panel (the Panel) and the Government’s initiative to undertake a comprehensive review of the Resource Management Act 1991 (the RMA, the Act) and other related legislation. The RMA, while ground-breaking in its day, is no longer fit for purpose and may delay decarbonisation.

It is accepted that renewable electricity generation and electrification will play a crucial role in decarbonising New Zealand’s economy. Renewable sources provided 84% of New Zealand’s electricity in 2018, mostly hydro, geothermal and wind. The RMA must protect and enhance the operation of existing renewable assets. It must also provide for a significant volume of new capacity to meet growing demand, if New Zealand is to meet renewable energy and decarbonisation targets.

Large scale investment in generation and transmission capacity will be needed to achieve the 90% renewable electricity target in the *National Policy Statement for Renewable Electricity Generation 2011* (NPS-REG). Even more development will be necessary to meet the Government’s aspirational goal for a 100% renewable system by 2035. Non-weather dependent generation (and/or large long-term storage solutions) will also be required to ensure security of supply during periods of high demand, or during calm and dry conditions. This need to better enable renewable generation and infrastructure is recognised by the Ministry for Business, Innovation and Employment’s (MBIE) discussion paper on *Accelerating Renewable Energy and Energy Efficiency*.

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2. About Genesis

Genesis generates electricity from a diverse portfolio of thermal and renewable assets across New Zealand. We are New Zealand’s largest energy retailer providing electricity, reticulated natural gas and LPG to around 500,000 customers.

Genesis’ ability to generate electricity relies on our continued ability to appropriately use natural resources. Our electricity generation facilities have been through robust resource consenting processes and operate under a comprehensive suite of resource consents and approvals.

Further detail about Genesis’ assets and operations is included in Appendix A.

The current resource management framework has flaws that significantly hinder the provision of new renewable energy infrastructure and imperil the continued use of existing assets. Namely:

- Insufficient recognition of the effects of climate change, and a lack of explicit national direction on methods to reduce greenhouse gas emissions, such as decarbonisation of our economy and actions required to achieve this.

- Unconscious bias towards the absolute protection of the natural environment, rather than sustainable management, and a narrow focus on negative effects. Combined with a bias towards the status quo, recognised by the Panel, this often results in outcomes inconsistent with the sustainable management purpose and principles of the RMA. These matters also significantly increase the costs and time of consenting processes.

- The wording and direction within the NPS-REG are inadequate to appropriately facilitate renewable electricity generation.

- Insufficient recognition of the importance of nationally significant and major infrastructure to social, economic and cultural well-being.

- A lack of national clarity on renewable energy delivery and supporting thermal generation.

- Inconsistency in local decision-making processes resulting in increased risks and delays to projects.

- Planning processes that are repetitive across different levels of regulatory authority. A lack of integration results in inefficiency and increased cost of and delays to the delivery of major infrastructure projects.

3. Specific feedback

Issue 1: Legislative architecture

1. Should there be separate legislation dealing with environmental management and land use planning for development, or is the current integrated approach preferable?

Genesis prefers the current integrated approach under the RMA framework for resource management. We also consider the overarching purpose of the RMA to promote the sustainable management of natural and physical resources remains relevant. Genesis does not consider a
framework consisting of separated regulatory statutes will enable the collective and collaborative approach required to realise New Zealand’s climate change ambitions and address other significant environmental challenges.

In particular, Genesis considers that environmental management and land use planning are intrinsically linked. There are many risks associated with an artificially separated legislative framework, including (but not limited to):

- further fragmentation in planning, and the creation of silos within regulatory authorities.
- further complexity in project delivery and approval processes, which is likely to increase cost and time delays for regulatory authorities, applicants, and stakeholders.
- risks for significant litigation on legal interpretation before case law on new legislation becomes clear.

Genesis considers the current failures in the resource management system are often a result of failed implementation, rather than the integrated approach of the RMA. The RMA was intended to be an enabling piece of legislation and its purpose of promoting sustainable management already allows regulatory authorities to take a balanced approach when considering development proposals. However, since the enactment of the RMA, there has been insufficient national level guidance, especially on matters involving the competing uses of resources, to provide for people and communities, and the protection of the natural environment. This has resulted in inconsistent interpretation of the RMA, and the ad hoc approach to development and environmental protection. Genesis considers these matters can be resolved by reviewing the Act and addressing the implementation issues rather than a reform of the resource management system.

**Issue 2: Purpose and principles of the Resource Management Act 1991**

2. **What changes should be made to Part 2 of the RMA?**

   Genesis supports the current structure of Part 2; being an overarching purpose (section 5) with a hierarchy of principles and matters to be recognised (sections 6-8). However, Genesis considers minor changes are necessary to provide clearer national direction in addressing climate change and ensuring that people and communities are adequately provided for as part of the environment.

   Please refer to our further comments in the questions below.

3. **Does s5 require any modification?**

   Genesis does not consider modification to section 5 is necessary. Genesis considers the overarching purpose of the RMA (being the concept of sustainable management) remains relevant and appropriate. As previously stated, Genesis considers the environment and people are fundamentally intertwined and must be considered as a whole.

   Genesis supports the current wording of section 5 as sustainable management is not solely an environmental protection principle. In addition, we also support the current absence of a formal
effects management hierarchy in section 5(2)(c), being to avoid, remedy or mitigate adverse effects. Genesis is concerned the recent attempts to introduce an effects management hierarchy\(^2\) will have significant implications on the ability to deliver projects where a wider social benefit or positive effects will also be provided, while appropriately managing the adverse effects that may arise.

A clear example of this is in the provision of renewable electricity generation activities, which utilise compensation\(^3\) measures to manage residual environmental effects. In the context of freshwater management, offsetting benefits have not been thoroughly tested across New Zealand. It would be remiss for the effects management hierarchy to be limited to only offsetting, as compensation has a proven positive track record in the freshwater context, and has made significant improvements to freshwater ecology. Genesis can cite numerous examples where environmental compensation measures, such as the Whio (Blue Duck) mitigation project and Project River Recovery, have had (and continue to have) significant positive environmental and ecological outcomes. Genesis therefore considers that offsetting and compensation should be equally available, and section 5(2)(c) should remain without modifications.

4. **Should ss. 6 and 7 be amended?**

Genesis considers amendments to sections 6 and 7 are necessary to better reflect two nationally important matters: responding to climate change, and the provision of nationally significant infrastructure (particularly renewable energy infrastructure). However, many of the matters in section 7 are seldom utilised and reconsideration and refinement of section 7 matters would be beneficial.

Genesis considers there is currently a poor connection between New Zealand’s climate change policy and our planning system, including relationships between nationally significant policies on climate change, renewable energy, and freshwater. As noted previously, Genesis considers the existing overarching sustainable management purpose contained in section 5 of the RMA remains relevant. However, clearer focus should be introduced to support New Zealand’s transition to a low carbon economy while ensuring people and communities are provided for.

Accordingly, Genesis considers the section 6 matters of national importance should be amended to include the following matters that shall be recognised and provided for in exercising the Act:

- Reduction in the effects of climate change through adaption, mitigation and resilience, and by the displacement or reduction of greenhouse gas emissions.
- The use, development, maintenance, and upgrade of renewable electricity generation, and supporting infrastructure that contributes to benefit New Zealand's greenhouse gas reductions.

\(^2\) See clause 15 of the draft National Policy Statement for Freshwater Management (NPSFM) and clause 1.8 (definitions) and 3.9 of the draft National Policy Statement for Indigenous Biodiversity. The “effects management hierarchy” proposes firstly avoid, then if that is not possible, remedy, then mitigate, then offset, then finally compensate.

\(^3\) Compensation for effects being currently enshrined in section 104(1)(ab) of the RMA.
➢ The use, development, maintenance, and upgrade of nationally significant infrastructure as an essential component of the health, safety, and well-being of people and communities.

5. **Should the relationship or ‘hierarchy’ of the matters in section 6 and 7 be changed?**

In principle, Genesis does not consider there are fundamental issues with the RMA having a hierarchy of matters that are of national importance (to be recognised and provided for) and other matters (to have particular regard to). However, as highlighted in Question 4 above, Genesis considers a review of the specific matters listed is now necessary to properly reflect the matters of national importance in the current environment (including specifically, elevating the effects of climate change, and the benefits of renewable energy and nationally significant infrastructure, as matters of national importance in section 6), as well as any actions or strategies that should be adopted.

The role of the sections has changed over time with section 6 now being implemented through planning provisions as vetoes to development. Having such outcomes driven by broad statements applying to the whole country creates significant issues when trying to plan for and consent infrastructure projects. This is another reason Genesis seeks inclusion of new provisions in section 6 relating to renewable electricity generation (and its supporting infrastructure within the electricity system).

6. **Should there be separate statements of principles for environmental values and development issues (and in particular housing and urban development) and, if so, how are these to be reconciled?**

As outlined previously, Genesis considers the RMA’s broad sustainable management purpose provides an appropriate resource management framework to allow decision-makers to consider, and carefully balance, all aspects of environmental management whilst providing for people and communities. However, the failures of the system have often resulted from a lack of clear national direction. Genesis considers this is better addressed with amendments to sections 6 and 7 (including the suggested amendments to section 6 in Question 4 above) without the need for separate statements of principles within Part 2 of the RMA. If any statements of principles are introduced in the RMA, Genesis submits any proposed statements of principles must be carefully reconciled within Part 2 of the Act and the scope of section 5.

7. **Are changes required to better reflect te ao Māori?**

No further comment.

8. **What other changes are needed to the purpose and principles in Part 2 of the RMA?**

No further comment.

**Issue 3: Recognising Te Tiriti o Waitangi / the Treaty of Waitangi and tea o Māori**

9. **Are changes required to s8, including the hierarchy with regard to ss. 6 and 7?**

In principle Genesis does not consider that changes to section 8 are required, and supports the retention of the current terminology ‘to take into account’ the principles of the Te Tiriti o Waitangi.
10. Are other changes needed to address Māori interests and engagement when decisions are made under the RMA?

No further comment.

Issue 4: Strategic integration across the resource management system

11. How could land use planning processes under the RMA be better aligned with processes under the LGA and LTMA?

No further comment.

12. What role should spatial planning have in achieving better integrated planning at a national and regional level?

In principle, Genesis supports the use of spatial planning to guide land use development at a regional and local level. However, Genesis recognises the significant time and costs involved, to Councils and key stakeholders, to prepare a robust and sustainable spatial plan. If spatial planning is done poorly the effects (environmentally, socially, economically and culturally) will be significant. Resourcing is therefore critical.

The RMA does not constrain the ability for Councils to undertake spatial planning; however, the limitations to date have perhaps resulted from insufficient funding and engagement from affected stakeholders. Genesis considers that high level spatial planning should be undertaken at the regional level (such as in the Regional Policy Statement), include both areas to be enabled and areas to be avoided, and provision for nationally significant infrastructure (with input from stakeholders) whilst at the same time allowing for flexibility to provide for new technology in the future. Critically though, within areas that are not protected due to significant values, activities should be better enabled, and the consenting framework relaxed. In relation to renewable electricity generation this is commented on further in Questions 16 and 24.

13. What role could spatial planning have in achieving improved environmental outcomes?

Refer to Question 12.

14. What strategic function should spatial plans have and should they be legally binding?

Refer to Question 12. Genesis considers spatial plans can only be effective in the resource management system if it has legal status and is being given effect to through RMA plans.

15. How should spatial plans be integrated with land use plans under the RMA?

Refer to Question 12. Genesis considers spatial planning should be incorporated into the existing planning framework (such as at the Regional Policy Statement level), rather than a separate document. Genesis considers there are already a large volume of (often poorly integrated) planning documents and the aim should not be to add more.
Issue 5: Addressing climate change and natural hazards

16. Should the RMA be used as a tool to address climate change mitigation, and if so, how?

Genesis considers the RMA can and should be used as a tool to address climate change mitigation, by promoting renewable electricity generation infrastructure and supporting infrastructure within the electricity system. This however must be driven by national direction (see Question 19 below). As previously mentioned, Genesis considers New Zealand’s response to climate change, including actions to achieve the Government’s ambitious climate change targets, can only be achieved by a collective effort that is founded on a cohesive framework of policies and tools. Without this, existing efforts to address other environmental issues such as freshwater and indigenous biodiversity will continue to face significant challenges.

The RMA can play a role in appropriately managing activities that are not consistent in achieving New Zealand’s climate change actions, while expressly supporting (and enabling with appropriate checks) activities that will support the reduction or displacement of greenhouse gas emissions. Within the electricity sector, this includes the increased provision of renewable electricity sources, consistent with the Government’s aspirational target of achieving 100% renewable electricity by 2035 in years of normal hydrology.

Genesis considers that for the RMA to become a more effective climate change mitigation tool it requires clear statutory and national level direction including, but not limited to, the following:

- Explicitly recognising climate change mitigation as a matter of national importance within section 6 (see response to Question 4);
- Explicitly provide for renewable electricity infrastructure, including supporting and related nationally significant infrastructure, as matters of national importance within section 6 (see response to Question 4); and
- Providing a clear consenting pathway to renew consents for existing renewable energy infrastructure and supporting infrastructure within the electricity system, and their ongoing operation, maintenance and upgrade through the provision of Permitted and Controlled activity status. For new development, provide a clear set of assessment matters for Controlled and Restricted Discretionary activity status.

In addition to the above RMA changes, and with urgency, the Government should take measures to:

- Strengthen the NPS-REG to ensure its enabling language is sufficiently clear and directive to support existing and new developments of renewable electricity generation;
- Consider a National Environmental Standard for Renewable Electricity Generation (NES-REG) that includes but is not limited to the following:
  - Support for all existing renewable generation options and new technologies;
  - A supportive planning context for renewable energy projects.
17. What changes to the RMA are required to address climate change adaptation and natural hazards?

The RMA must encourage reducing the impact of the effects of climate change, and strive to reduce greenhouse gas emissions. Renewable energy generation is critical to this. Comments are already contained in Question 4 above and our proposed amendments to section 6. All relevant climate change legislation needs to be integrated. RMA plans need to be aligned with the National Climate Change Risk Assessment and National Adaption Planning. Reporting obligations should also be aligned. In addition, given the need for a collective effort across sectors, industry and Government, local authorities must be appropriately resourced to enable them to effectively engage in planning and developing responses, under national direction.

18. How should the RMA be amended to align with the Climate Change Response Act 2002?

Generally, Genesis considers that the requirements in the RMA need to be considered holistically with the Climate Change Response Act and that activities that address climate change should be supported within the RMA (as suggested in our response to Question 16) so that where relevant, decisions can be made to support emissions reduction and/or climate change adaptation outcomes. Sustainable development of natural resources for renewable electricity generation will form a key part of New Zealand’s response to climate change – in particular, meeting emissions reduction targets set by the Climate Change Commission. The RMA must not create barriers to zero-carbon electricity generation. As set out earlier, the resource management system should support the development of renewable energy and the necessary supporting infrastructure. This includes long-term storage and non-renewable generation where it is necessary to ensure security of supply.

Issue 6: National direction

19. What role should more mandatory national direction have in setting environmental standards, protection of the environment more generally, and in managing urban development?

Genesis considers that strong and mandatory national direction is vital to effectively managing effects and guiding urban development and land use activities. However, we also consider the question being posed by the Panel to ‘protect the environment’ and ‘manage urban development’ to contain unconscious bias towards environmental preservation rather than the RMA purpose of sustainable management.

Meeting New Zealand’s future needs will require broader national direction that appropriately balances resource use and development.

In the electricity generation sector, for example, Genesis believes there is currently uncertainty by some decision makers as to how the NPS-REG (being the current national direction available) should be applied to activities under the RMA. Its language, and use of weak verbs, does not assist when being weighed alongside other conflicting national directions, or regional or local planning documents.

For the electricity industry, Genesis considers that a clear national direction should take the form of:
➢ Explicitly recognising climate change mitigation as a matter of national importance in section 6.

➢ Identifying the provision of renewable energy generation (and supporting infrastructure) as a matter of national importance in section 6.

➢ A stronger NPS-REG that clearly recognises and provides for the importance of renewable electricity generation in New Zealand in reducing greenhouse gas emissions and towards achieving the climate change targets.

➢ Explicitly recognising and providing for the continued operation of nationally significant renewable electricity infrastructure, including recognition in the RMA and the NPS-REG.

➢ A NES-REG, setting out the clear consenting pathway and processes for renewable electricity generation projects. This should include consenting processes for new projects, consent renewal applications, and consent variation applications to allow for changes in technology and practices. As mentioned in Questions 16 and 24, that direction would provide a simplified consenting framework while retaining the ability to appropriately manage effects.

➢ Better clarity and cohesion across national policy instruments.

**Issue 7: Policy and planning framework**

20. **How could the content of plans be improved?**

Paragraph 107 of the Paper identifies several options for improving the planning framework. Genesis supports options that will promote integration and reduce complexity and inefficiencies.

In respect of the delivery of renewable electricity generation, Genesis submits the following:

➢ Plans should make specific provisions enabling and providing for renewable electricity generation, including the provision of Permitted, Controlled and Restricted Discretionary Activity status (but nothing higher) for renewable electricity generation.

➢ Content of plans could be improved by requiring all draft plans and section 32 reports making substantive changes to be reviewed by an independent experienced planner before notification. That review can then be included in the Schedule 1 process going forward and regard must be had to it. If the quality of the proposed plan is improved, the rest of the process should be simplified.

➢ Whilst public participation should be retained, this should be limited to only those people or stakeholders that have a direct interest, such as living in the area or owning land/assets in the area, to ensure submissions raised are specific and relevant.

21. **How can certainty be improved, while ensuring responsiveness?**

No further comment.
22. How could planning processes at the regional and district level be improved to deliver more efficient and effective outcomes while preserving adequate opportunity for public participation?

No further comment.

23. What level of oversight should there be over plans and how should it be provided?

Genesis considers it is the role of the Central Government to provide adequate direction and guidance to Councils and this should include a level of oversight. This may involve a panel of planning experts, who are appointed by the Ministry for the Environment, to provide an audit function across plans and recommendations relating to the implementation of national direction instruments.

Issue 8: Consents/approvals

24. How could consent processes at the national, regional and district levels be improved to deliver more efficient and effective outcomes while preserving appropriate opportunities for public participation?

In respect of the renewable electricity generation sector, Genesis suggests the following options to improve the efficient and effective delivery outcome:

➢ **Simplifying the consenting status of renewable electricity generation infrastructure:** including the provision of Controlled Activity Status for consent renewal (or removal of the need to reconsent altogether, see Question 27 below), with an assessment limited only to any ‘additional’ effects likely to result from the continued operation of the activity.

➢ **Introduction of a NES-REG:** meeting the purpose of the NPS-REG, including clear activity status and assessment processes for renewable electricity generation projects and their supporting infrastructure (refer to Questions 16 and 19 responses).

➢ **Limitations on the number of requests for further information:** in general, resource consent applications and the Assessment of Environmental Effects have become extensive and technical, incurring significant costs to the applicants whilst limiting the ability for public participation. Regulatory authorities and stakeholders also need to wade through volumes of information. Further information requests should be limited to matters of particular concern and uncertainty, rather than all potential issues.

➢ **Establish a Renewable Electricity Generation Authority (REGA):** similar to the new Housing and Urban Development Authority, a REGA could provide consent processing functions and make bylaws to streamline and fast-track consenting of projects relating to renewable electricity generation and supporting infrastructure. The REGA could be overseen by an independent panel of commissioners. We note while there is the nationally significant projects route (through a Board of Inquiry) the process is very expensive and demanding on all involved and is not suited to simpler projects or projects with a high level of support.
In summary, Genesis considers the statutory framework for the consenting of existing and new renewable electricity generation and other nationally significant projects must be simplified to ensure consistency and the streamlining of decision-making processes within a set timeframe.

25. **How might consent processes be better tailored to the scale of environmental risk and impact?**

No further comment. Please refer to comments in Questions 24, 26 and 27.

26. **Are changes required for other matters such as the process for designations?**

Under section 168 of the RMA, persons engaged in electricity generation activities are not recognised as ‘network utility operators’ and as such are not considered requiring authorities for the purpose of seeking a designation. Genesis considers electricity generators should be considered requiring authorities under the Act as electricity generation is an essential component of the national electricity system. In addition, we consider extending the requiring authority status to electricity generators will assist in the industry’s ability to better provide for renewable electricity infrastructure (and towards meeting the Government’s renewable energy targets).

Resource consents are often prescriptive and do not provide flexibility to allow for changes. New consents can be required, rather than the ability to seek variations due to changes in the original scope, regardless of whether the consent has been exercised or not. Varying consents can also be highly involved processes which result in relitigating of entire projects. This hinders the ability to adopt new technology in a timely manner. An alternative approach to land use consents is to extend the requiring authority status to electricity generators. Using the Outline Plan of Works process, land use changes can be accommodated without altering the purpose of the designation (i.e. being for the generation of renewable electricity). This could include activities such as building envelope, structures, vegetation clearance, earthworks, storage of hazardous substances, etc.

Genesis also submits that designation conditions should be encouraged to be effects/outcomes based, with the key environmental parameters listed. This further allows flexibility for the consent holder to innovate and change operational practices while still meeting desired outcomes within set parameters. ‘Living’ management plans should be used to allow for changes, with evidence submitted to regulatory authorities Council for transparency and accountability.

27. **Are changes required for other matters such as the review and variation of consents and conditions?**

Other changes that we consider should be reviewed include lapse date on consents (section 125), duration of consents (section 123), and renewal of consents for existing activities (sections 124 to 124C).

- **Consent lapse timeframe:** whilst there is currently no legislative barrier to set longer lapse periods under section 125 of the RMA, existing territorial authorities have typically been conservative in setting a five-year lapse period. The short lapse period does not take into account of the potentially long lead times on renewable energy projects, which are highly
dependent on economic and market factors. Genesis considers a longer lapse period is required for renewable electricity projects (being a nationally significant infrastructure) to ensure greater flexibility for project delivery.

- **Consent duration**: land use consents have indefinite durations (once consent is exercised); however, consent duration for regional matters (such as freshwater) is limited to a maximum of 35 years. The consent duration limitation therefore does not appropriately reflect the life of the infrastructure/investment, resulting in risks from reconsenting requirements. This poses a real risk to ongoing operation of existing hydro-generation assets, particularly if there are changes to freshwater management policies. Genesis considers consent duration should be aligned with the expected life span of the infrastructure, particularly in the case of renewable electricity generation assets as a nationally significant infrastructure.

- **Consent renewal**: another inefficiency relating to the limited consent duration of regional consents is the need for consent renewal. The requirement for full reconsenting of existing nationally significant infrastructure is in our view unnecessary and inefficient, particularly when operational activities and associated effects often remain unchanged. In conjunction with Genesis’ view that consent duration should be extended, Genesis suggests there is a need to significantly reduce, if not to completely remove, the consent renewal requirements on nationally significant infrastructure. A simplified consent process could be applying for consent renewal as a Controlled Activity, with an assessment limited only to any ‘additional’ effects likely to result from the continued operation of the activity.

28. **Are changes required for other matters such as the role of certificates of compliance?**

No further comment.

**Issue 9: Economic instruments**

29. **What role should economic instruments and other incentives have in achieving the identified outcomes of the resource management system?**

In principle, well-targeted (and signalled) economic instruments and other incentives can be an effective way to achieve specific resource management outcomes and national strategic goals.

Genesis would support further consideration of economic instruments and incentives as additional tools in the policy armoury. However, the design and implementation of these must be considered carefully to avoid unintended consequences or perverse outcomes. For example, Genesis would not support a tax or royalty on the use of freshwater for electricity generation (being a non-consumptive use). This is because in addition to issues of equity and distorted price signals in other markets, it would disincentivise investment in renewable electricity generation, result in higher wholesale electricity prices and adversely impact the electrification of industries that currently use fossil fuel.

30. **Is the RMA the appropriate legislative vehicle for economic instruments?**

There is a range of economic instruments or incentives that could be used and the RMA could be an appropriate vehicle, should these be introduced. Further investigation would be required on the nature of the particular instrument or framework; how this is to be deployed (e.g. through
a centralised platform or a bilateral market-based system); and evaluating the potential for a system where access and development rights – subject to conditions – are tradeable at economic values agreed between parties. However, such a system is likely to be complex and ensuring any transactions do not impinge upon the rights of third parties would be a key consideration. What is important, whichever legislation is used, is that these have the characteristics referred to in Question 29 above, and forms part of a cohesive policy framework.

**Issue 10: Allocation**

31. *Should the RMA provide principles to guide local decision making about allocation of resources?*

Genesis considers it will be useful to develop a clear set of guiding principles for resource allocation, such as the allocation of freshwater. Given increasing resource scarcity and the need to urgently address global environmental challenges such as climate change, a set of guiding principles for allocation will ensure a consistent approach to resource use is adopted across the country in response to the purpose of the RMA.

Genesis proposes the guiding principles for the allocation of freshwater resource should explicitly address climate change effects, and ensure the allocation of freshwater will remain sustainable. With the need to significant increase renewable electricity generation capacity to further decarbonise New Zealand’s energy sector, Genesis also considers the guiding principles should include a priority towards allocating freshwater for non-consumptive uses (such as the nationally significant hydro-electricity generation infrastructure), where a nationally important benefit to people and communities is delivered.

For example, Genesis notes there is a perception that small reductions in the existing consented water take volumes for hydro schemes would not adversely impact their generation capacity and output. However, it is important that the cumulative impacts across a scheme, including potential impacts on operational flexibility, and across the wider electricity supply network, need to be considered.

32. *Should there be a distinction in the approach taken to allocation of the right to take resources, the right to discharge to resources, and the right to occupy public space?*

Genesis considers further information and details are required to fully understand the implications of this. Once understood, any outcome must not add additional complexity. At a high level we consider there may not be a need to distinguish between the approach to take resources, discharge to resources, or occupy public space.

33. *Should allocation of resources use such as water and coastal marine space be dealt with under the RMA or elsewhere as is the case with minerals and fisheries, leaving the RMA for regulatory issues?*

Genesis supports the allocation of water being dealt with under the RMA; however, Central Government direction and a national set of guiding principles are critical to the success of retaining allocation within the RMA. Again, Genesis considers provisions for allocation already exist, but it is the implementation that has been lacking. Clear direction for Regional Councils to manage and implement allocation under the RMA would be the most efficient outcome and
allow catchment specific solutions. Clear direction will reduce costs for Councils in implementing allocation systems. Having additional allocation regimes outside of the RMA will simply add yet more time, cost and uncertainty.

**Issue 11: System monitoring and oversight**

34. *What changes are needed to improve monitoring of the resource management system, including data collection, management and use?*

While this discussion is focused on Councils, Genesis’ consent conditions require extensive monitoring. Any outcome for monitoring requirements should have a clear rationale and outcome in mind so it is not monitoring for monitoring's sake. In addition, we consider monitoring should be aligned with existing systems so that information can be shared.

35. *Who should have institutional oversight of these functions?*

No further comment.

**Issue 12: Compliance, monitoring and enforcement**

36. *What changes are needed to compliance, monitoring and enforcement functions under the RMA to improve efficiency and effectiveness?*

Again, while focused on Councils, Genesis (and the electricity sector) has an excellent compliance record. Compliance should have a clear purpose and outcome and should be focused on areas, and sectors, where it is needed.

37. *Who should have institutional responsibility for delivery and oversight of these functions?*

No further comment.

38. *Who should bear the cost of carrying out compliance services?*

No further comment.

**Issue 13: Institutional roles and responsibilities**

39. *Although significant change to institutions is outside the terms of reference for this review, are changes needed to the functions and roles or responsibilities of institutions and bodies exercising authority under the system and, if so, what changes?*

No further comment.

40. *How could existing institutions and bodies be rationalised or improved?*

No further comment.
41. Are any new institutions or bodies required and what functions should they have?

Please refer to comment to Question 24.

Issue 14: Reducing complexity across the system

42. What other changes should be made to the RMA to reduce undue complexity, improve accessibility and increase efficiency and effectiveness?

In summary of the key matters outlined in our submission above, Genesis considers the following principles apply to reducing complexity within the RMA framework:

➢ Retaining a single statute dealing with resource management. As previously stated, Genesis considers the integrated approach of the RMA represents the best framework in the sustainable management of the environment whilst providing for people and communities.

➢ Strong national direction and guidance on achieving the desired environmental and urban outcomes, including positive outcomes towards achieving New Zealand’s climate change targets.

➢ Provide a planning framework that is streamlined for the acceleration of renewable electricity generation and supporting infrastructure as set out in Questions 16, 19 and 24.

➢ Avoid and reduce duplications across statutes and associated regulations. A recent example noted by Genesis is the duplication of requirements for the management of hazardous substances being proposed in a plan which are already regulated under the Safety at Work (Hazardous Substances) Regulations.

Genesis repeats its position that it is the implementation of the RMA, as opposed to the RMA itself, that is the major issue of the RMA. Simplification of the Act is needed but the biggest focus has to be on improving, and making clearer and more streamlined, the implementation of it. That provides greater certainty and significantly increases sustainable outcomes.

43. How can we remove unnecessary detail from the RMA?

No further comment.

44. Are any changes required to address issues in the interface of the RMA and other legislation beyond the LGA, LTMA?

No further comment.
4. Further information

Genesis welcomes further engagement with the Panel to discuss our comments further. Similarly, if the Panel has any queries, please contact § 9(2)(a).

Yours sincerely

§ 9(2)(a)

Genesis Energy Limited
Appendix A – Genesis Energy: Assets and Operations

Genesis Energy is New Zealand’s largest electricity and gas retailer, supplying energy to more than half a million customers nationwide. We also generate and trade electricity and natural gas through a diverse range of assets across the country.

Genesis Energy’s diverse portfolio of generation assets comprises the following:

- **Thermal generation:** the Huntly Power Station, the largest electricity generation facility in New Zealand by capacity (948 MW), which relies on Waikato River flows for cooling purposes.

- **Renewable generation:**
  - three hydro schemes including Tongariro (362 MW); Waikaremoana (138 MW); and Tekapo (190 MW). These schemes comprise eight power stations – six in the North Island and two in the South Island. An extensive range of lakes, rivers and streams are used for generation purposes.
  - the Hau Nui wind farm (8 MW) in the North Island.

- **Genesis Energy has a 46% interest in the Kupe Joint Venture, which owns the Kupe oil and gas field.**

- **Genesis Energy holds resource consents to establish a wind farm at Castle Hill in the northern Wairarapa.**