



MP for Wigram

Minister of Energy and Resources

Minister for Greater Christchurch Regeneration

Minister of Housing

Minister of Research, Science and Innovation

Hon David Parker
Minister for the Environment
PARLIAMENT BUILDINGS

Dear David

Energy and Resources issues to consider in the resource management system review

Thank you for the invitation to recommend issues for the resource management system review. This letter sets out an overview of key issues from my energy and resources portfolio.

Renewable energy development

A key tension in the Resource Management Act (RMA) is how to weigh the national benefits of proposals against the impacts on local communities. For example, New Zealand will need to significantly increase the future provision of renewable energy sources if we are to meet climate change goals, provide for greater electrification of the vehicle fleet and ensure reliable and affordable energy to New Zealand households and businesses.

The Interim Climate Change Committee (ICCC) has modelled a 93% renewable energy generation scenario under 'business as usual' – though this was caveated with the assumption that new wind generation could be built without constraint and as needed. Given current barriers to development of large scale renewable projects, the ICCC has recommended regulatory changes to provide for the development of wind generation at scale.

Minerals resources

The same tension between national and local issues apply to mineral resources, for example aggregate quarries and mining of 'clean-tech' minerals for low-emission technologies such as wind turbines and electric vehicles.

Quarrying activities may have significant local environmental effects, but generate broader benefits for the New Zealand economy (for example construction of our roading networks). New Zealand is resource rich in aggregates but quarrying material is not universally available and can only be sourced from where it is located.

As countries transition to low carbon economies, the global demand for clean-tech minerals such as cobalt and lithium is projected to increase dramatically. There may be opportunities for New Zealand

to help meet the domestic and global demand for these clean-tech minerals. There also are global benefits from production in New Zealand, given our world leading standards for environmentally sustainable and socially responsible mining.

Energy and climate change

I am looking at a range of options to raise industrial process heat efficiency and cleaner industrial production. This raises a number of issues around the greenhouse gas emissions from many current industrial processes. Currently, the Emissions Trading Scheme (ETS) is our primary policy tool for regulating emissions. Yet, the RMA is our primary policy tool for managing the adverse environmental effects of industrial activities. I note the recent comment from the IPCC that “resource management legislation and associated regulations should complement, rather than dampen, the effect of core climate change policies (for example emissions pricing)”.

Because the resource consent process often provides the best means to set performance standards for a long-lived activity, it is worth considering in the review whether there is some complementary role for the RMA in managing greenhouse gas emissions outside of the ETS. For example, s 9(2)(f)(iv)

My officials will engage further with MFE on some options in this area.

Balancing local and national benefits

Developers have concerns about costly, lengthy and uncertain consenting processes for new energy and minerals projects, or existing projects seeking to re consent. Local communities and tangata whenua have valid concerns about the local environmental effects of energy and minerals projects and, despite recognising the national benefits, these local stakeholders may not see any immediate or direct benefits themselves.

I acknowledge the need for a system of robust environment permitting and public participation, and we do not want to shortcut or override local democracy or concerns. I suggest, however, that the resource management review look closely at the best ways to balance local effects and national benefits – including contribution to our climate change goals.

Potential options

The issues I have outlined in this letter cut across multiple options for resource management system reform. For example, enhanced spatial planning across a range of economic, environmental and social interests may help plan across multiple resources and interests, rather than looking at projects in isolation. In some cases, investment certainty could be boosted by clearer planning for environmental outcomes – for example giving developers greater clarity on areas suitable for development, ‘no go’ zones for development, or minimum environmental standards.

Looking at the balance between national and local interests may also require a fundamental look at some of the core tenets of the RMA – for example the current hierarchy of considerations in Part 2 of the RMA, or the degree to which an effects-based regime is the best means of enabling future development.

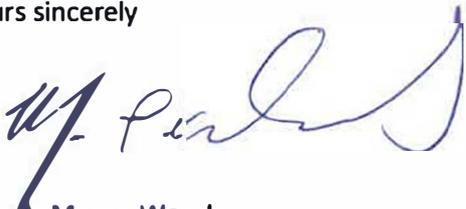
Capability and implementation

It is important to consider the capability of different parties to make good and timely decisions. Whatever legislative reforms are progressed, consenting processes will remain challenging for decision makers. It is crucial the review consider what it would take to achieve successful implementation of a resource management system. This includes matters such as the respective roles of central and local government, and fit-for purpose funding, guidance and partnership tools.

Next steps

MBIE officials are working with MFE and other agencies to scope the issues in this letter, and support the Expert Advisory Group in their work. I look forward to further discussions as required on this crucial and timely piece of work.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Woods', written over a faint, large watermark that says 'Proactively released'.

Hon Or Megan Woods
Minister of Energy and Resources