

Strategy and Policy Committee Agenda

NOTICE IS GIVEN that the next meeting of the Strategy and Policy Committee will be held in Council Chambers, Ground Floor, Regional House, 1 Elizabeth Street, Tauranga on:

Tuesday 20 February 2024 COMMENCING AT 9.30 am

This meeting will be livestreamed and recorded.

This meeting will be livestreamed and recorded and uploaded to Bay of Plenty Regional Council's website. Further details on this can be found after the Terms of Reference within the Agenda. [Bay of Plenty Regional Council - YouTube](#)

Strategy and Policy Committee

Membership

Chairperson	Cr Paula Thompson
Deputy Chairperson	Cr Kat Macmillan
Members	All Councillors
Quorum	Seven members, consisting of half the number of members
Meeting frequency	Six weekly rotation between committee meetings and strategic sessions

Purpose

- Inform the strategic direction for the Council and implement through approved planning and policy frameworks.
- Identify regional issues resulting from emerging trends, providing thought leadership on matters of regional significance, analysing implications and developing a strategic response.

Role

- Develop, implement and review best practice strategy, policy and planning framework for decision making which enables connection across committees of Council.
- Consider emerging environmental and climate change issues and provide advice on the implications for effective resource management within the region.
- Inform Council's strategic direction, including prioritisation and policy responses.
- Enhance awareness and understanding of emerging issues and trends relating to meeting Councils strategic direction.
- Develop Council's position on regionally significant issues and provide guidance on sub-regional and regional strategy matters such as spatial planning and SmartGrowth.
- Approve submissions on matters relating to the committee's areas of responsibility that are not delegated to staff.
- The provision of governance oversight into the development and review of policies, plans, and strategies.
- Approve statutory and non-statutory plans, strategy and policy other than those required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the local governance statement.
- Develop, review and approve Council's position on regional economic development.

- Consider any issues delegated by Council that have a regional, environmental, social or economic focus.
- Develop and review bylaws.
- Delegate to hearings commissioners under section 34A of the Resource Management Act 1991 to exercise the powers, functions duties in relation to any authorities that have been delegated by Council to the committee.

Power to Act

To make all decisions necessary to fulfil the role and scope of the committee subject to the limitations imposed.

The Strategy and Policy Committee is not delegated authority to:

- Approve the Regional Policy Statement and bylaws;
- Review and adopt the Long Term Plan and Annual Plan;
- Develop and review funding, financial, Risk and Assurance Policy and frameworks;
- Approve Council submissions on Māori related matters;
- Develop, approve or review non statutory policy for co-governance partnerships.

Power to Recommend

To Council and/or any standing committee as it deems appropriate.

Recording of Meetings

Please note the Public section of this meeting is being recorded and streamed live on Bay of Plenty Regional Council's website in accordance with Council's Live Streaming and Recording of Meetings Protocols which can be viewed on Council's website. The recording will be archived and made publicly available on Council's website within two working days after the meeting on www.boprc.govt.nz for a period of three years (or as otherwise agreed to by Council).

All care is taken to maintain your privacy; however, as a visitor in the public gallery or as a participant at the meeting, your presence may be recorded. By remaining in the public gallery, it is understood your consent is given if your image is inadvertently broadcast.

Opinions expressed or statements made by individual persons during a meeting are not the opinions or statements of the Bay of Plenty Regional Council. Council accepts no liability for any opinions or statements made during a meeting.

Bay of Plenty Regional Council - Toi Moana

Governance Commitment

**mō te taiao, mō ngā tāngata - our environment and our people
go hand-in-hand.**

We provide excellent governance when, individually and collectively, we:

- Trust and respect each other
- Stay strategic and focused
- Are courageous and challenge the status quo in all we do
- Listen to our stakeholders and value their input
- Listen to each other to understand various perspectives
- Act as a team who can challenge, change and add value
- Continually evaluate what we do

**TREAD LIGHTLY, THINK DEEPLY,
ACT WISELY, SPEAK KINDLY, JOURNEY TOGETHER.**

Recommendations in reports are not to be construed as Council policy until adopted by Council.

Agenda

1. **Apologies**
2. **Public Forum**
3. **Items not on the Agenda**
4. **Order of Business**
5. **Declaration of Conflicts of Interest**
6. **Minutes**
 - Minutes to be Confirmed**
 - 6.1 **Strategy and Policy Committee Minutes - 31 October 2023** **8**
7. **Presentations**
 - 7.1 **National Policy Statement - Indigenous Biodiversity (NPS-IB)**
Presented by: Julian Fitter
 - 7.2 **Freshwater Programme - BOP Federated Farmers**
Presented by: Brent Mountfort and Jesse Brennan - BOP Federated Farmers
 - 7.3 **Freshwater Programme - Environmental Defence Society (EDS)**
Presented by: Shay Schlaepfer - Chief Operating Officer, EDS
8. **Verbal Updates**
 - 8.1 **Spatial Planning Update**
Presented by: Antoine Coffin - Manager, Spatial Planning
9. **Reports**
 - 9.1 **Operating Environment** **13**
Attachment 1 - Strategy and Policy Committee Draft Work Programme 2024 18
 - 9.2 **Freshwater Policy Programme: Timeframes** **19**
Attachment 1 - Assessment of plan change notification time frame options 27

9.3	Regional Plan Amendment for Greenhouse Gas Emissions from Industrial Process Heat	31
9.4	Regional Economic Development Operational Update	38
9.5	Plan Change 11 Geothermal	46
10.	Consideration of Items not on the Agenda	

Strategy and Policy Committee

Open Minutes

- Commencing:** Tuesday 31 October 2023, 9.30am
- Venue:** Council Chambers, Ground Floor, Regional House, 1 Elizabeth Street, Tauranga
- Chairperson:** Cr Paula Thompson
- Deputy Chairperson:** Cr Kat Macmillan
- Members:** Cr Malcolm Campbell
Cr Stuart Crosby
Cr Toi Kai Rākau Iti
Cr Matemoana McDonald
Cr Jane Nees
Cr Ron Scott
Cr Ken Shirley
Cr Lyall Thurston
Cr Andrew von Dadelszen
Cr Te Taru White (via Zoom)
- In Attendance:** Staff: Fiona McTavish – Chief Executive; Namouta Poutasi – General Manager, Strategy and Science; Reuben Fraser – General Manager, Regulatory Services; Chris Ingle – General Manager, Integrated Catchments (via Zoom); Kataraina O’Brien – General Manager, Strategic Engagement (via Zoom); Julie Bevan – Policy and Planning Manager; Stephanie Macdonald – Community Engagement Team Leader; Pete Hennessey – Communications Team Leader; Michelle Lee – Planner (Water Policy); Jessica Shailer – Environmental Scientist; Margaret Courtney – Senior Advisor; Stephen Lamb – Environmental Strategy Manager (via Zoom); Nicola Green – Principal Advisor Policy and Planning; James Low – Team Leader Policy (Freshwater); Mark Ivamy – Senior Planner Natural Hazards; Jane Palmer – Senior Planner Climate Change; Steve Groom – Governance Manager; Antoine Coffin – Manager, Spatial Planning; Jenny Teeuwen – Committee Advisor
- Apologies:** Chairman Doug Leeder and Cr Kevin Winters

1. Chair’s Opening Statement

Chairperson Cr Paula Thompson opened the meeting and reminded those present that the public section of the meeting was being livestreamed and recorded and that the recording would be available on the Bay of Plenty Regional Council Toi Moana (Regional Council) YouTube channel following the meeting.

Recording link: [Strategy and Policy Committee Meeting - 31 October 2023 - YouTube](#)

2. Apologies

Resolved

That the Strategy and Policy Committee:

- 1 Accepts the apologies from Chairman Doug Leeder and Cr Kevin Winters for absence tendered at the meeting.

Thompson/Thurston
CARRIED

3. Declaration of Conflicts of Interest

None declared.

4. Minutes

Minutes to be Confirmed

4.1 Strategy and Policy Committee Open and Public Excluded Minutes - 8 August 2023

Resolved

That the Strategy and Policy Committee:

- 1 Confirms the Open Strategy and Policy Committee Minutes – 8 August 2023 as a true and correct record; and
- 2 Confirms the Public Excluded Strategy and Policy Committee Minutes - 8 August 2023 as a true and correct record.

Thompson/Campbell
CARRIED

5. Reports

5.1 Essential Freshwater- Community Engagement Summary

Presented by: Stephanie Macdonald – Community Engagement Team Leader
Pete Hennessey – Communications Team Leader
Michelle Lee – Planner (Water Policy)
Jessica Shailer – Environmental Scientist
Margaret Courtney – Senior Advisor
Reuben Fraser – General Manager, Regulatory Services

Presentation: *Essential Freshwater Community Engagement Summary: Objective ID A4521377*

Key Points - Staff

- Provided overview of the communications and engagement activities delivered during the April - September 2023 community engagement period, including the mediums used (refer Page 21 of agenda for full list),

and the results of the communication campaign, engagement with tangata whenua, and the participation at community engagement activities.

- Outlined key themes, including tangata whenua desired outcomes and concerns, visions and values, water quality options (general and land management), water quantity, and Freshwater Management Unit (FMU) specific issues.

In Response to Questions

- The Te Mana o Te Wai conference hosted by the Ministry for the Environment (MfE) had been a good opportunity for kaitiaki who were monitoring their waterways, and for Bay of Plenty Regional Council Toi Moana (Regional Council) staff, to understand the different issues that kaitiaki were facing, to look at best practice and learn from one another. Iwi presentations at the hui-ā-rohe had also been successful.
- Tangata whenua were willing to articulate what specific cultural sites meant for them but were hesitant about sharing those sites. If sites were shared, there was concern around how this information would be received, stored and shared, and what protocols would be put in place for this.
- The Plan Change 9 process had a more targeted engagement. The engagement for the freshwater plan change process was more intensive, with longer timeframes and more options and techniques to connect with iwi/hapū. Acknowledged the similarity of tangata whenua feedback for both engagements with issues raised previously still being relevant today.
- Every effort had been made to engage with as many as possible to gauge commonalities of views and get some consensus for what the issues were.
- The engagement carried out so far was only part of process. There would be further opportunities for tangata whenua to provide feedback. Regional Council would continue to engage with those who were interested and available.
- Whilst there were some comments regarding Three Waters, this topic was not part of the scope of this engagement and conversations were steered to be more focussed on freshwater.
- It was acknowledged that Mātauranga Māori was sometimes a barrier for resource consents. Regional Council had a range of approaches to take to ensure Mātauranga Māori was not discounted, and remained committed to working through this on an individual basis.
- Regional Council used the same approach for all resource consent applications where cultural values, effects and mitigations needed to be identified by kaitiaki mandated representatives. Staff were confident that Regional Council's processes would identify the effects that needed to be managed and the ways of managing those effects.
- It was important for Regional Council's compliance team to partner with kaitiaki monitoring to build good relationships and trust.
- Feedback received for water over-allocation and clawback was varied rather than having one clear overall theme.
- There had been no particular feedback on the term for water take consents.
- Acknowledged the uncertainty while waiting for a new government to form. Any new directions from the new government were not expected until early next year. Notification of the Regional Policy Statement (RPS) and Regional Natural Resources Plan (RNRP) changes was not required until December 2024 so there was time to pivot as and when needed. Regional Council would continue to focus on delivery of what was still required to be done.

- The staff working on the Freshwater Programme were from all over the organisation e.g. science, planning, engagement, communications, Te Amorangi, GIS, land management, EDS, consents, compliance and others. Costs associated with freshwater National Policy Statement for Freshwater Management (NPS-FM) implementation were requested.

Key Points - Members

Acknowledged the excellent work that had gone into the agenda report and the community engagement programme, and commended the staff involved.

Resolved

That the Strategy and Policy Committee:

- 1 Receives the report, Essential Freshwater- Community Engagement Summary; and**
- 2 Notes an outline of planned engagement for 2024 will be presented to this committee at its December 2023 meeting.**

**Thompson/Scott
CARRIED**

2.2 Operating Environment

Presented by: Namouta Poutasi – General Manager, Strategy and Science
Julie Bevan – Policy and Planning Manager
Mark Ivamy – Senior Planner, Natural Hazards

In Response to Questions

- It was expected that the Regional Sector would submit as a whole to the draft transitional National Planning Framework (NPF) proposal. There was support from Councillors for Regional Council to provide a separate submission, specifically highlighting the conflicts between the proposed NPF and the National Policy Statements.
- There was no clear definition of “tolerable” within the proposed National Policy Statement - Natural Hazard Decision-making (NPS-NHD). Regional Council’s draft submission touched on this in section 6; however, the wording would be amended to more clearly state that a definition of “tolerable” was required.
- It was intended that a report would be presented to Regional Council in December 2023 seeking endorsement of a partial review of the Regional Pest Management Plan (RPMP). Updates for gold clam and Kauri dieback would be considered as part of that report.

Resolved

That the Strategy and Policy Committee:

- 1 Receives the report, Operating Environment;**
- 2 Requests that staff prepare a submission on the draft transitional National Planning Framework (NPF) proposal; and**
- 3 Supports the proposed draft submission on the Proposed NPS-NHD including any feedback provided.**

**Thompson/Iti
CARRIED**

2.3 Draft submission to Environment Select Committee inquiry into climate adaptation

Presented by: Jane Palmer – Senior Planner Climate Change

In Response to Questions

- The National Climate Change Adaptation Plan was essentially the work programme and included an action to pass legislation to support managed retreat.
- All documents that had been put out for consultation by the MfE, including the climate adaptation inquiry, would continue during the caretaker government stage.
- Whilst a central government adaptation fund was encouraged, it was suggested that the wording in the submission be strengthened to emphasise that any such fund should be centrally driven rather than an additional requirement at a local level.
- It was highlighted in the draft submission that the term “community led retreat” was misleading and that the term needed to be used with care.
- At this point, Regional Council did not intend to request to be heard at the submissions hearing.

Resolved

That the Strategy and Policy Committee:

- 1 Receives the report, Draft submission to Environment Select Committee inquiry into climate adaptation; and**
- 2 Supports the submission to the Environment Select Committee, including any feedback provided.**

**Macmillan/Campbell
CARRIED**

10.53am - the meeting closed.

CONFIRMED

Cr Paula Thompson
Chairperson, Strategy and Policy Committee



Report To: Strategy and Policy Committee

Meeting Date: 20 February 2024

Report Writer: Julie Bevan, Policy and Planning Manager

Report Authoriser: Namouta Poutasi, General Manager, Strategy and Science
Stephen Lamb, Environmental Strategy Manager

Purpose: To provide an update on Council's operating environment.

Operating Environment

Executive Summary

This report covers the operating environment areas that influence and inform Council's policy direction and work. It provides information on the operating environment and the reforms that will potentially have considerable impact on our local government functions.

The Natural and Built Environment Act and the Spatial Planning Act have been repealed and Resource Management Act Reform changes are underway. While details are being worked through, there is still national direction in place and engagement has been undertaken to enable the delivery of our work programmes. This report covers:

- Resource Management (Natural and Built Environment and Spatial Planning Repeal and Interim Fast-track Consenting) Act 2023
- National Policy Statements Updates
- Strategy and Policy Committee Work Programme.

Recommendations

That the Strategy and Policy Committee:

- 1 Receives the report, Operating Environment.**

1. Introduction

This report provides a briefing on the range of Government reforms and legislative change proposals that might require changes to the future scale and scope of our work.

Also included in the report is a summary of the Strategy and Policy Committee Tentative Work Programme 2024 which sets out the process stages for proposed changes to the Regional Policy Statement (RPS) and Regional Natural Resources Plan (RNRP) to ensure that Councillors are aware of the upcoming reporting and decision-making programme.

1.1 Alignment with Strategic Framework

A Healthy Environment	We develop and implement regional plans and policy to protect our natural environment.
Freshwater for Life	<p>Good decision making is supported through improving knowledge of our water resources.</p> <p>We recognise and provide for Te Mana o Te Wai (intrinsic value of water).</p> <p>We deliver solutions to local problems to improve water quality and manage quantity.</p> <p>We listen to our communities and consider their values and priorities in our regional plans.</p> <p>We collaborate with others to maintain and improve our water resource for future generations.</p>
Safe and Resilient Communities	We work with communities and others to consider long term views of natural hazard risks through our regional plans and policies.
A Vibrant Region	We contribute to delivering integrated planning and growth management strategies especially for sustainable urban management.
The Way We Work	We honour our obligations to Māori.

The delivery of Regional Policy Statement (RPS) and Regional Natural Resources Plan (RNRP) Changes are an integral part of the Long Term Plan's Regional Planning activity which sets Council's strategic planning and policy direction. The RPS identifies how the integrated management of the region's natural and physical resources is to be managed by establishing policy direction for regional and district plans. The RNRP is focussed on promoting the sustainable management of air, land, water and geothermal resources, achieving integrated management and improving environmental quality in the Bay of Plenty Region.

2. Operating Environment

2.1 Resource Management (Natural and Built Environment and Spatial Planning Repeal and Interim Fast-track Consenting) Act 2023

On 20 December 2023, Parliament passed legislation repealing the Natural and Built Environment Act and the Spatial Planning Act. On 22 December 2023, when Royal Assent occurred, the Resource Management (Natural and Built Environment and

Spatial Planning Repeal and Interim Fast-track Consenting) Bill became an Act 2023 with most provisions taking effect the day after.

It indicated its long-term goal is to change RMA legislation to make it easier to develop new housing and infrastructure, enable primary industry, and better balance environmental protection.

The Minister Responsible for RMA Reform indicated on 31 January 2024 that before 7 March a new Bill will be introduced, which enables a permanent fast-track consenting process for locally, regionally and nationally significant infrastructure and developments. The proposed Bill will contain a list of projects that will be first to have their approvals granted and would contain specific protections for Treaty settlements and other Treaty-related arrangements and commitments. Projects would be assessed for their compliance with these arrangements before being referred to the Expert Panel.

The Ministry for the Environment has prepared information on what the repeal changes means for:

- fast-track consenting
- freshwater consents
- the National Policy Statement for Freshwater Management
- requiring authorities
- Treaty settlements and other arrangements with Māori.

Information on the changes are [available on the MfE website here](#).

2.2 National Policy Statements and National Environmental Standards Updates

2.2.1 National Policy Statement for Greenhouse Gas Emissions from Industrial Process Heat

The National Policy Statement (NPS) for Greenhouse Gas Emissions from Industrial Process Heat was gazetted on 29 June 2023 and came into force on 27 July 2023.

To implement the objective and policies of the NPS for Greenhouse Gas Emissions regional councils must, in addition to meeting the requirements of the Resource Management (National Environmental Standards (NES) for Greenhouse Gas Emissions from Industrial Process Heat) Regulations 2023, implement or give effect to the objective and policies of this NPS. The changes to the regional plan required by the provisions of the NPS are amendments referred to in section 55(2) of the Resource Management Act (which, because of section 55(2A) of the Act, means that the changes must be made without using a Schedule 1 process).

The amendments to the Air Chapter of the Regional Natural Resources Plan (RNRP) as directed by the NPS Greenhouse Gas Emissions have been prepared and are included to this Strategy and Policy Committee Agenda for confirmation of inclusion in the next update made to the Air chapter of the RNRP.

National Policy Statement for Freshwater Management 2020

As part of the Resource Management (Natural and Built Environment and Spatial Planning Repeal and Interim Fast-track Consenting) Act 2023 (Act) changes, the

Government has amended the statutory final deadline for notifying regional plan changes to implement the National Policy Statement for Freshwater Management 2020 (NPSFM). They have also stated they will review and replace the NPSFM and amend freshwater regulations in 18-24 months which will be done through the RMA process for developing and amending national direction.

Schedule 2, Part 4 of the Act amended section 80A of the Resource Management Act 1991 to change the deadline for notifying plan changes that give effect to the National Policy Statement for Freshwater Management 2020 (NPSFM) from 31 December 2024 to 31 December 2027.

Any changes to the timing of the notification of our Regional Policy Statement Change 7 (Freshwater) and Regional Natural Resources Plan Change 19 (Freshwater) are included to this Strategy and Policy Committee Agenda for confirmation.

2.3 **Strategy and Policy Committee Work Programme**

The Strategy and Policy Committee Tentative Work Programme for the Strategy and Policy Committee Meetings and Workshops for 2024 are set out in Attachment One. The work programme will be updated once further national direction is received and the delivery timeframes are confirmed.

3. **Considerations**

3.1 **Risks and Mitigations**

The impact of the reform and changes to the Resource Management Act and the National Policy Statement Freshwater Management (NPS-FM) may raise risks or may require mitigations to our delivery of legislative requirements. Regular updates will continue to be provided to this committee.

This is an information only report and matters of risk in relation to future RPS and RNRP changes, and possible updated National Policy Statements and National Environmental Standards will be outlined in the separate reports when reported to the Committee for decision making purposes.

3.2 **Climate Change**

The matters addressed in this report are of a procedural nature. Climate Change is a key matter that will be considered in the policy development, implementation and analysis process of the proposed RPS Changes and RNRP Plan Changes and will be reported to the Committee during the process.

3.3 **Implications for Māori**

The RMA processes, and any future RPS Changes and Plan Changes all involve consideration of implications for Māori, engagement and consideration of iwi planning documents.

3.4 **Community Engagement**

The RMA processes, and any future RPS Changes and Plan Changes all involve consideration of community engagement undertaken through those processes.

3.5 Financial Implications

The matters addressed in this report are of a procedural nature and information only. There are no material unbudgeted financial implications and this fits within the allocated budget.

4. Next Steps

As further details on areas under reform or future changes become available, updates on operating environment areas that influence and inform Council's policy direction and work will be provided at future Strategy and Policy Committee Meetings.

Attachments

Attachment 1 - Strategy and Policy Committee Draft Work Programme 2024 [↓](#)

<p align="center">Strategy and Policy Committee Tentative Policy Work Programme 2024</p>							
Meeting 20 February	Meeting 9 April	Workshop 21 May	Meeting 25 June	Strategic Session / Workshop 6 August	Meeting 17 September	Workshop 30 October	Meeting 10 December
EFPP – decision on changes to timeframe for notifying RPS Change 7 (Freshwater) and Proposed RNRP Plan Change 19 (Freshwater)	To be determined following decision EFPP – potentially policy recommendations for the draft RPS Change 7 (Freshwater) and draft Proposed RNRP Plan Change 19 (Freshwater) for the consultation process – assuming the proposed notification date is in September 2025	To be determined following decision EFPP – potentially policy recommendations discussion	To be determined following decision EFPP – potentially approval for consultation process for draft RPS Change 7 (Freshwater) and Proposed RNRP Plan Change 19 (Freshwater)	To be determined following decision EFPP – potentially policy recommendations discussion RMA s.80a discussion – Freshwater Planning Process	To be determined following decision EFPP – potentially an update on feedback from consultation process	Te be determined following decision EFPP – potentially discussing changes to proposed RPS Change 7 (Freshwater) and Proposed RNRP Plan Change 19 (Freshwater) from feedback	To be determined following decision EFPP – potentially an update on changes to proposed RPS Change 7 (Freshwater) and Proposed RNRP Plan Change 19 (Freshwater) Potentially a decision on scope of RMA s.80a Freshwater Planning instrument and use of the Freshwater Planning Process
GEOTHERMAL – confirmation of revised timeframe to notify draft PC11	Government & Policy Reform Post 100 days	GEOTHERMAL – update on draft PC11	GEOTHERMAL – approval to notify draft PC11 for consultation engagement		Tauriko SDP Update	GEOTHERMAL – update on feedback from engagement on draft PC11	GEOTHERMAL – Workshop on amendments to PC11
Regional Economic Development Operational Update	AIR – update on PC13 s293 process and/or any Interim Decisions	Regional Profiles	SmartGrowth Strategy & Implementation Plan	AIR – update on PC13 s293 process and/or any Interim Decisions	SmartGrowth Update	Eastern Bay Spatial Plan	AIR – update on PC13 s293 process and/or any Interim Decisions
Regional Plan Amendment for Greenhouse Gas Emissions from Industry	Rotorua FDS Update	Spatial Plan Update/Case Studies	Government Policy & Reform	MMAMP – scoping discussion with Councillors			MMAMP – approval of draft AMP release for feedback
Spatial Planning Update	Tauriko SDP Update	RAMP and Bylaw – scoping discussion with Councillors			RAMP and Bylaw – draft content		RAMP and Bylaw – draft content
	Spatial Plan Case Studies	Proposed Change 8 (NPS-HPL) – project update			Proposed Change 8 (NPS-HPL) – project update		Government Policy and Reform
	RPS Change 6 NPS-UD - update on any appeals to Councils decision						
	NPStds – Approval from Councillors to notify reformatted RPS						

Legend			
Essential Freshwater Policy Programme (EFPP)	Mount Maunganui Airshed Management Plan (MMAMP)	Rotorua Airshed Management Plan and Bylaw (RAMP)	RPS Change 6 NPS Urban Development (NPS-UD)
RNRP PC11 Geothermal (PC11)	RNRP PC13 Air Quality (PC13)	RPS Change 8 NPS-Highly Productive Land (NPS-HPL)	National Planning Standards (NPStds)



Report To:	Strategy and Policy Committee
Meeting Date:	20 February 2024
Report Writer:	Nicola Green, Principal Advisor, Policy and Planning; Julie Bevan, Policy and Planning Manager; James Low, Team Leader Policy (Freshwater) and Rob Donald, Science Manager
Report Authoriser:	Namouta Poutasi, General Manager, Strategy and Science Stephen Lamb, Environmental Strategy Manager
Purpose:	To decide on the new timeframe for the notification of the Regional Policy Statement Change 7 (Freshwater) and Regional Natural Resources Plan Change 19 (Freshwater).

Freshwater Policy Programme: Timeframes

Executive Summary

The Government has amended the statutory deadline for notifying regional plan changes to implement the National Policy Statement for Freshwater Management 2020 (NPSFM). They have also stated they will replace the NPSFM and amend freshwater regulations in 18-24 months. As a result, late last year Council postponed making a decision to release the draft Proposed Regional Policy Statement Change 7 (Freshwater) and Regional Natural Resources Plan change 19 (Freshwater). Council now needs to revisit the timeframe for notification of these changes, currently set as December 2024.

This paper describes and assesses four options for notification ranging from March 2025 to December 2027. The recommended option (Option 2) is September 2025.

The main reasons for Option 2 being the preferred option are due to:

- the expiry of the majority of water take consents in 2026;
- being able to address water quality issues quicker;
- the timing of local government elections;
- making best use of investment to date;
- delivering a more streamlined plan; and
- the importance of maintaining momentum and currency.

Even with Option 2 the extension of timeframe is still tight, maintaining momentum, while providing Council extra time to explore and decide on policy options to use in targeted engagement.

Importantly, this paper does not address scope of the plan changes or policy options and content of the plan changes in light of pending national changes. The draft policy will need to be modified as a result of these changes. Once a timeframe is set the programme for assessing and deciding on policy options can be reset.

Recommendations

That the Strategy and Policy Committee:

- 1 Receives the report, Freshwater Policy Programme: Timeframes.**
- 2 Decides to extend the timeframe for notifying Proposed Regional Policy Statement Change 7 (Freshwater) and Proposed Regional Natural Resources Plan Change 19 (Freshwater) from December 2024 to September 2025.**

1. Introduction

In December 2023, the Government gazetted the *Resource Management (Natural and Built Environment and Spatial Planning Repeal and Interim Fast-track Consenting) Act 2023*. Among other things, to change the deadline for notifying plan changes that give effect to the National Policy Statement for Freshwater Management 2020 (NPSFM) from 31 December 2024 to 31 December 2027 (Schedule 2, Part 4 of this Act amended section 80A of the Resource Management Act 1991). The choice of when to notify plan changes prior to that date sits with regional councils.

Accompanying this, the Government has stated that the NPSFM will be replaced, and national freshwater regulations will be amended in 18 to 24 months. A letter from the Minister Responsible for RMA Reform to councils (13 December 2023) states:

- *the Government will amend the RMA to make it easier to consent new infrastructure including renewable energy, allow farmers to farm, build more houses, and enable aquaculture and other primary industries and*
- *We have also decided to review and replace the National Policy Statement for Freshwater Management 2020 (NPS-FM) in this term of Government, following normal RMA processes for national direction.*

More recently (31 January 2024), the Minister has stated:

- *In the interim we intend to progress changes to how the hierarchy of obligations contained in Te Mana o te Wai provisions of the NPS-FM apply to consent applications and consent decisions. Our intention is that these changes will be made through a separate RMA amendment bill this year.*

While the timeline may have changed, the fundamental premise of improving water quality remains. The Minister for the Environment (14 December 2023) stated:

- *the coalition Government is committed to improving freshwater quality for the benefit of all New Zealanders by ensuring a sustainable and balanced approach, that works towards improving the environmental outcomes for our waterways.*

In response to the reform, the messages in the *Briefing to Incoming Ministers* (Te Uru Kahika, 2023) from the Te Uru Kahika can be summarised as follows.

Regional Councils are:

- Committed to continuing to improve the health of waterways – maintaining the momentum.
- Committed to relationship building, partnerships and working arrangements with iwi-Māori.
- Continuing to work with our communities on local solutions.
- Wanting to get on with implementation, noting “regular change to national instruments have left councils in a cycle of planning resulting in high costs, uncertainty for communities and delayed policy implementation” (Te Uru Kahika, 2023).

This aspect of the new Government’s reform agenda creates some uncertainties for Council’s Freshwater policy programme. In recognition of this, a decision now needs to be made about the **timeframe** for notification of the freshwater plan changes. This paper presents and assesses some options and makes a recommendation.

Importantly, this paper does not address scope of the plan changes or policy options and content of the plan changes in light of pending national changes. The draft policy will need to be modified as a result of these changes.

Once a timeframe has been set, the programme for assessing and deciding on policy options can be reset. This will include establishing the timing for release of the draft plan change for targeted consultation (which was scheduled for approval in December 2023 and release in January 2024, but was paused).

2. Considering the Plan Change notification date

A simple analysis might suggest that delaying notification until the latest legal date would be preferred, to use the maximum time to refine Council’s policy and to fully understand Central Government’s new policy positions, and to continue engagement and relationship building with Tangata Whenua.

However, there are a number of compelling arguments for a shorter timeframe. These include:

1. There are **known and significant environmental issues** and there is a community expectation that these should be addressed, and indeed should already have been addressed. These include the degraded and degrading state of Waihi and Maketū estuaries and some of the Rotorua Lakes due, in large part to contaminants from their rural catchments. These water bodies have high ecological, cultural, food harvesting, contact recreation, and landscape values. The issues are largely caused by diffuse and cumulative contaminant losses from whole catchments. The operative Regional Natural Resources Plan provisions are not sufficient. Irrespective of national bottom lines for rivers or changes to the NPSFM and timelines, these issues need to be addressed.

2. **Momentum has built up across the Freshwater programme.** Significant financial investment (over 8+ years) has occurred, and the plan changes and analyses are well advanced. Council has been working towards region wide plan changes for 3 years, changes for Waihi, Maketu and Rangitaiki for an additional 5 years, and water quantity changes for more than 10 years. This is due to changes/replacements in National Policy Statements for Freshwater - 2011, 2014, 2017, and 2020.
3. **In late 2026 approximately 40% of water take consents** (pre-1991 consents) **will expire** and need to be re-consented. A new planning framework - if notified prior to the consents being due - would have clearer, more appropriate allocation limits and minimum flows based on best available information.
4. The **RNRP is an old plan which requires updating** and improvement. Until it is replaced, Council is limited to managing resources using old provisions which is causing ongoing issues. An up-to-date, simplified plan aims to deliver administrative efficiency.
5. **New science is now available** (such as water allocation limits) and should inform resource management decisions. The longer we delay notification, the more data becomes out of date and reports need to be reworked - and the benefit of the new information is not realised. There would be a significant cost in re-working the science supporting the plan change.
6. **Community expectations** have been established for progress on improving freshwater outcomes.

Coupled with these is that the Central Government reform agenda is uncertain. Developing national policy instruments is not a simple process. There is ultimately no guarantee that a long term, stable framework will be created from the current reform.

2.1 Timeframe Options

The four timeframe options that have been considered are as follows.

Option	Notification Date	Description
1	March 2025	Carry on with the current programme, applying just a 3 month delay due to delayed approval of draft plan change release.
2	September 2025	Notify at the end of this local government triennium. Likely to be ahead of finalised amendments to the NPSFM and national freshwater regulations.
3	December 2026	Hands the baton to the newly elected Council. Amendments to the NPSFM and national freshwater regulations are likely to be gazetted.
4	December 2027	The latest possible date.

2.1.1 Options assessment

A summary assessment of the options is provided below with more detail provided in Attachment 1.

Option	1	2	3	4
Addresses environmental issues promptly	✓✓	✓	X	XX
Notified prior to 2026 consent expiry	✓✓	✓✓	XX	XX
Maintains momentum	✓✓	✓	X	XX
No / limited wasted investment / repetition of work	✓✓	✓✓	X	XX
Enables more in depth tangata whenua engagement and targeted engagement	X	✓	✓✓	✓✓
Enables more robust s.32	✓	✓✓	✓✓	✓✓
Provides more time for Council to consider options	X	✓	✓ (new council)	✓✓
Provides time for assessment of feedback on draft plan	✓	✓✓	✓✓	✓✓
Plan change can give effect to pending NPSFM amendment/change	XX	X?	✓	✓✓

2.2 Option 2 is recommended

This option **adds 9 months** to the existing timeframe for notification of the Freshwater plan change (and RPS change).

The critical influences on this recommendation are the expiry of the majority of water take consents in 2026, timing of local government elections, and the importance of maintaining momentum and currency. This also introduces new water quantity allocation limits and water quality improvements sooner rather than later, and delivers an up-to-date, simplified plan that meets National Planning Standards, and maintains and improves freshwater for our community.

The extension of timeframe is still tight, maintaining momentum, while providing Council extra time to explore and decide on policy options that will be beneficial for targeted engagement.

3. Potential Impacts of Reform

3.1 Pending changes

Based on Coalition agreements of the new government, and statements from ministers, the following changes have been signalled that will affect the Freshwater Policy Programme.

Table 1: Coalition agreement statements affecting Council's Freshwater Policy Programme

<ul style="list-style-type: none"> Amend the Resource Management Act 1991 to make it easier to consent new infrastructure including renewable energy, allow farmers to farm, get more houses built, and enable aquaculture and other primary industries.
<ul style="list-style-type: none"> Replace the National Policy Statement for Freshwater Management 2020 to: <ul style="list-style-type: none"> rebalance Te Mana o te Wai and National Environmental Standards for Freshwater “better reflect the interests of all water users” within 18-24 months allow district councils more flexibility in how they meet environmental limits and seek advice on how to exempt councils from obligations under the National Policy Statement for Freshwater Management 2020
<ul style="list-style-type: none"> Cut red tape and regulatory blocks on irrigation, water storage, managed aquifer recharge and flood protection schemes.
<ul style="list-style-type: none"> Improve Farm Environment Plans so they are more cost-effective and pragmatic for farmers.
<ul style="list-style-type: none"> Support Farm Environment Plans administered by regional councils and targeted at a catchment level.
<ul style="list-style-type: none"> Adopt standardised farm level reporting.
<ul style="list-style-type: none"> Streamline the plan preparation process in Schedule 1 of the RMA. <i>Note that freshwater related plan changes to implement the NPSFM already have a streamlined planning process under the RMA.</i>

3.2 Implications

Details of changes are not available at this point. However, the following is currently assumed:

- A NPSFM will still be in play, possibly in a form more like the 2017 or 2014 version. The NPSFM was introduced by a National Party led government in 2011 to direct regional councils to address real water quality issues that still exist. There have been five amendments, all directing Councils to act. While it is likely this amendment may be the first to remove some prescription rather than add it, this focus on addressing real water quality and allocation issues is likely to remain.

- While amendments are likely to affect the hierarchy of obligations and possibly other aspects of Te Mana o te Wai, the sustainable management purpose of the RMA (s.5) and regional council duties and functions (s.30) will remain.
- Freshwater farm plans will still be required via a national regulation. Note these have not been switched on our in our region by Order in Council yet. The anticipated date for this was December 2025.

As noted above, the fundamental need to address water quality issues will remain. How far and how fast these are addressed remains for Council to determine through decisions on policy options. It is unlikely that the new NPSFM will fundamentally affect Council's choices in this regard.

4. Considerations

4.1 Risks and Mitigations

The main risk associated with Option 2 is that changes to the NPSFM and national regulations may follow closely behind plan change notification and may result in misalignment.

To mitigate this risk:

1. Council staff will actively engage in any national discussions about the changes so that the proposed changes are as “future proofed” as possible.
2. Should any changes be necessary after notification, these can be made through the submission and response process, or via a tightly scoped variation to the proposed changes.
3. Another option that remains available to Council is to extend the notification deadline again (to December 2027) if, prior to the 2025 notification date, it becomes obvious that NPSFM changes will require significant amendments to the plan changes that will take time.

This risk associated with Option 2 is considered to be more manageable and tolerable than the risks and costs of delaying notification (Options 3 and 4).

4.2 Climate Change

The matters addressed in this report are of a procedural nature and there is no need to consider climate change impacts.

4.3 Implications for Māori

Note there has not been engagement with iwi organisations about the timeframe options stated in this report.

The additional time provided by Option 2 will enable more relationship building and engagement on the draft plan change with tangata whenua, while maintaining the momentum and attention being applied to freshwater issues now. A number of iwi are working on Council and government funded projects relating to freshwater that are scheduled to be completed this year. Option 2 will provide a more time to consider and discuss the outputs of those projects, and how they might be responded to in the plan change.

Long extensions of timeframe (Option 3 and 4), and handing the baton to the next elected Council, may negatively impact on the motivation of tangata whenua who are engaged in the process, and also may be seen as Council delaying addressing issues of concern to tangata whenua.

4.4 **Community Engagement**

Option 2 provides some additional time for Council to consider the policy position in the draft plan change before release, potentially more time for targeted consultation on the draft plan change, and for sector organisations to canvas their members for feedback. It may also provide more time to assess the feedback. Options 3 and 4 also provide this opportunity.

At this stage, no additional public communications and engagement process is planned or funded for the draft plan change, as Council has already delivered a 6-month long communications and engagement period in 2023.

4.5 **Financial Implications**

Options 2, 3 and 4 extend the timeline and shift the costs of the work programme to future years. For Option 2, if the planned work programme does not change, the total cost does not increase. However, if the Council seeks additions to the programme (e.g., additional phase of communications and engagement), costs will increase. For Options 3 and 4, there will be increased costs, because some technical work will need to be repeated with updated data, as existing assessments become dated.

The Draft LTP includes a shift from policy development to implementation. Option 2 would see this transition of financial resources delayed.

5. **Next Steps**

Once Council decides on a time frame for notification, work programme milestone dates will be reset, and Council reporting and decision topics and dates can be scheduled.

One of the first decisions will be about timing for release of the draft plan change, followed by approval of the draft changes for release.

Attachments

Attachment 1 - Assessment of plan change notification time frame options [↓](#)

Attachment 1: Assessment of timeframe change options for notification of proposed Regional Policy Statement Change 7 (Freshwater) and Regional Natural Resources Plan Change 19 (Freshwater)

Option 1: Notify March 2025 - Status quo (with 3 month slippage)	
Pros	Cons
<ul style="list-style-type: none"> • Significant water quality and other freshwater related issues addressed sooner. • Streamlined, fit for purpose and up to date regional plan in place as soon as possible, and prior to the large amount of resource consents that will need to be renewed from 2026 onwards. • New water allocation limits make more water available in some locations. • Maintains momentum. • Little wasted investment to date. • Completed technical work is sufficiently current to use without update. • New water allocation limits make more water available in some locations. 	<ul style="list-style-type: none"> • Tight timeframe to develop, test and consider options and s.32 before decision making. • Tight timeframe to receive, assess and respond to feedback on the draft changes. • Likely amendments to the NPSFM and national regulations may not be known. • Potential for regulatory misalignment post 2025 if policy settings substantially change.

Option 2: Notify September 2025 - end of this local government triennium	
Pros	Cons
<ul style="list-style-type: none"> • Significant water quality and other freshwater related issues addressed sooner. • Streamlined, fit for purpose and up to date regional plan in place promptly, and prior to the large amount of resource consents that will need to be renewed from 2026 onwards. • New water allocation limits make more water available in some locations. • Maintains momentum. • Little wasted investment to date. • Completed technical work is sufficiently current to use without much update. • Provides some additional time to develop, test and consider options and s.32 before decision making. • Enables some advancement of tangata whenua engagement and feedback on policy options and proposals. • Provides some additional time to receive, assess and respond to feedback on the draft changes, including moderating policy considering government policy signals. • Enables advancement of tangata whenua engagement and feedback on policy options and proposals. 	<ul style="list-style-type: none"> • Replacement of/amendments to the NPSFM and national regulations likely to have been gazetted around the time of notification or after it. • Potential for regulatory misalignment post 2025 if national policy settings substantially change.

Option 3: Notify December 2026	
Pros	Cons
<ul style="list-style-type: none"> • Amendments to the NPSFM and national regulations are likely to have been gazetted for a year, providing some time to retrofit the plan changes prior to notification. • Enables advancement of tangata whenua engagement and feedback on policy options and proposals. • Provides some additional time to develop, test and consider options and s.32 before decision making. • Enables longer period of engagement (if funding/resourcing allows). • Freshwater Farm plans delivered under the national regulations only (assuming an Order In Council switches them on in this Region from Dec 2025), introduces all farmers to the FFP process, ensuring all are on the path to at least basic good practice. 	<ul style="list-style-type: none"> • Significant water quality and other freshwater related issues not addressed by the regional plan promptly. • Streamlined, fit for purpose and up to date regional plan delayed and not in place prior to the large amount of resource consents that will need to be renewed from 2026 onwards. • Restrictions on water availability in the operative RNRP remain in place longer than necessary. • Loss of momentum likely to affect Council team motivation/prioritisation for this work, and motivation of tangata whenua and other external party participation. • Will need to repeat briefings for new elected Councillors to bring them up to speed for decision making. • Some wasted investment to date as some data used for technical work needs update and revision. • Based on track history, a new government may signal new potential changes in late 2027, while the plan change is still in submission and hearing phase.

Option 4: Notify December 2027	
Pros	Cons
<ul style="list-style-type: none"> • Provides time to align the plan changes with the amended/replaced NPSFM and national regulations. • Council takes the fullest time possible to assess, develop and consider and engage on policy options. • Freshwater Farm plans delivered under the national regulations only (assuming an Order In Council switches them on in this Region from Dec 2025), introduces all farmers to the FFP process, ensuring all are on the path to at least basic good practice. • Tarawera Awa Restoration Strategy group <i>may</i> have completed a river document (including consultation processes) by this time, which would then inform objectives and other provisions for the Tarawera River FMU. 	<ul style="list-style-type: none"> • Significant water quality and other freshwater related issues not addressed by the regional plan promptly. • Streamlined, fit for purpose and up to date regional plan delayed and not in place prior to the large amount of resource consents that will need to be renewed from 2026 onwards. • Restrictions on water availability in the operative RNRP in place longer than necessary. • Loss of momentum likely to affect Council team motivation/prioritisation for this work, and motivation of tangata whenua and other external party participation ... stamina runs thin. • Some wasted investment to date as some data used for technical work needs update and revision. • Based on track history, a new government may signal new potential changes just as the plan change is notified.



Report To:	Strategy and Policy Committee
Meeting Date:	20 February 2024
Report Writer:	Karen Parcell, Team Leader Kaiwhakatinana
Report Authoriser:	Stephen Lamb, Environmental Strategy Manager Namouta Poutasi, General Manager, Strategy and Science
Purpose:	Agreement to amend the regional plan to insert two policies managing greenhouse gas emissions from industrial process heat

Regional Plan Amendment for Greenhouse Gas Emissions from Industrial Process Heat

Executive Summary

The Ministry for the Environment released the National Policy Statement for Greenhouse Gas Emissions from Industrial Process Heat 2023 and the National Environmental Standards for Greenhouse Gas Emissions from Industrial Process Heat 2023 in June 2023. These Regulations provide national consistency in reducing greenhouse gas emissions from industries. The Regulations require regional councils to consider the effects of those greenhouse gas emissions from industrial process heat when assessing resource consent applications. **They also mandatorily require regional councils to insert two policies into their regional plan to this effect.**

The recommendation is that the Committee agrees to the inclusion of the two policies at the earliest opportunity.

There are some small risks associated with this recommendation:

- Confusion for plan users – mitigated by including a footnote to refer users to the Regulations
- Costs – kept to a minimum by including this amendment with an upcoming amendment
- Gaps and Overlaps – there are no *conflicts* between regional plan requirements and the Regulations however there are some gaps and overlaps. Staff have identified these and will address them as appropriate.
- Repeal – in the unlikely event that the Government repeals the Regulations, Council can remove the policies at low cost and with low risk.

Staff intend to include these policies with the upcoming amendment to the Air chapter (of the Regional Natural Resources Plan) to include the provisions managing bulk solid materials and log handling provisions currently before the Environment Court. A final ruling on these provisions is expected in early 2024.

Recommendations

That the Strategy and Policy Committee:

- 1 **Receives the report, *Regional Plan Amendment for Greenhouse Gas Emissions from Industrial Process Heat*.**
- 2 **Agrees to make the amendment to the Air chapter of the Regional Natural Resources Plan as directed by the National Policy Statement for Greenhouse Gas Emissions from Industrial Process Heat.**

1. The Greenhouse Gas Regulations

The Ministry for the Environment released national direction for Greenhouse Gas Emissions (GHGs) from Industrial Process Heat to support an amendment made to section 104 of the Resource Management Act 1991 (RMA) that came into effect on 30 November 2022. The National Policy Statement for Greenhouse Gas Emissions from Industrial Process Heat 2023 and the National Environmental Standards for Greenhouse Gas Emissions from Industrial Process Heat 2023 (referred to collectively as the Regulations) were released in June 2023.

The documents can be found on the Ministry for the Environment's website¹

The Regulations require industries using process heat to consider the greenhouse gas emissions from their operations when applying for a consent to discharge to air. Regional councils must also consider the effects of those greenhouse gas emissions when assessing the resource consent applications.

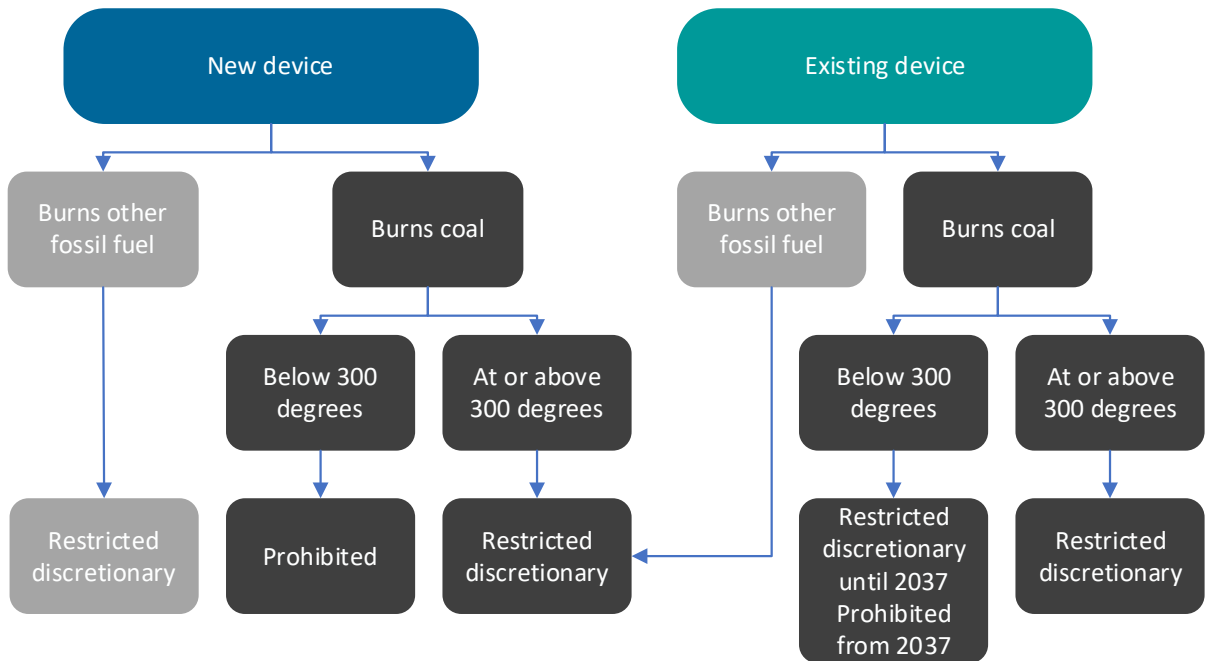
The purpose of the Regulations is to provide national consistency in implementation and to reduce greenhouse gas emissions from industries. The Regulations:

- prohibit new discharges of greenhouse gases from coal burning industrial heat devices
- phase out existing coal burning heat devices
- ensure decision-makers recognise and consider the cumulative effects of industrial greenhouse gas emissions when assessing resource consent applications
- require greenhouse gas emissions to be reduced over time from heat devices subject to resource consents, by developing and implementing emissions plans, and by consent holders adopting best practicable options

Note that the Regulations manage **climate change effects** - the effect that discharges of greenhouse gases have on climate change. Regional rules manage **air quality effects** - the effect of contaminants on air quality.

¹ <https://environment.govt.nz/acts-and-regulations/national-policy-statements/national-policy-statement-for-greenhouse-gas-emissions-from-industrial-process-heat/>

A flowchart demonstrating the consent pathway for heat devices under these Regulations is shown below².



Council staff are already implementing the requirements of the Regulations as consent applications are received. These include:

- assessing whether to apply a site wide approach to assess consent applications and if so, assess and manage (through consent conditions) total climate change effects of discharges from all relevant heat devices on site.
- ensuring emission plans provided by consent applicants meet the mandatory requirements including being reviewed by a suitably qualified person approved by Council.
- including conditions in the consent that require compliance with the site’s emission plan, reporting on emissions reduction targets, and updates to emission plans.

The Regulations **direct** regional councils to insert the following two implementation policies into their regional plans:

Cumulative effects

“Before granting a resource consent for the discharge of greenhouse gases to air from heat devices on a site, the regional council must:

- consider the total discharges of greenhouse gases from all heat devices on the site that the application relates to; and*
- recognise that, cumulatively, all discharges of greenhouse gases resulting from the production of industrial process heat, regardless of volume, contribute to climate change, and any reduction in greenhouse gas emissions contributes to mitigating climate change.”*

² Adapted from the Ministry for the Environment’s *National Direction for Greenhouse Gas Emissions from Industrial Process Heat - Industry factsheet*

Updating emissions plans

“When considering an emissions plan as part of an application for a resource consent for a restricted discretionary activity relating to discharges to air of greenhouse gases from heat devices, the consent authority must consider:

- (a) the timing and content of updates of the emissions plan to be made by the holder of the consent; and*
- (b) how those updates will reflect changes in technology and best practices.”*

These policies are to be inserted into regional plans without using the process in Schedule 1 of the RMA [section 55 (2A)(a)]. This means that Council will not need to undertake any consultation, submission or hearings process to include these policies in the regional plan. Where a regional plan has conflict or duplication with national direction, an amendment to the plan must be carried out as soon as practicable.

The most appropriate location for these policies is the Air chapter of the Regional Natural Resources Plan (the Plan). Staff assessment of the new policies is that there is no conflict or duplication of the Regulations within the plan, and the new policies are consistent with the operative objectives and policies of the Air chapter.

Staff recommend that these amendments are made during the inclusion of the bulk solid materials and log handling provisions currently before the Environment Court (as Plan Change 13). A final ruling on these provisions is expected early 2024.

1.1 Alignment with Strategic Framework**A Healthy Environment**

We develop and implement regional plans and policy to protect our natural environment.

1.1.1 Community Well-beings Assessment

The Ministry for the Environment assessed the appropriateness of the Regulations in their s32 analysis, which includes an assessment of community well-beings.³

2. Risks and mitigations**2.1 Confusion for plan users**

There is a small risk that plan users may become confused between the terms used in the new policies and the existing terms used in the Air chapter. The new policies refer to ‘heat devices’ while the Air chapter manages ‘fuel burning equipment’.

The definitions differ but are not in conflict. ‘Fuel burning equipment’ is a broad definition that includes any device used for combustion of fuel to produce heat or power. A ‘heat device’ is a narrower definition – a device that produces industrial process heat but excludes devices with the primary purpose of electricity generation or transmitting electricity.

The policies are directed at the ‘regional council’ or the ‘consent authority’ therefore will be used by planning professionals, reducing the likelihood of misinterpretation. However, to minimise confusion, the plan will include a footnote to clarify that plan users implementing the new policies should also refer directly to the Regulations.

³ <https://environment.govt.nz/publications/national-direction-for-greenhouse-gas-emissions-from-industrial-process-heat-section-32-report/>

2.2 Cost of implementation

Increase in costs are expected to be low. Consents staff have already added the additional assessments required under the Regulations to their standard assessments carried out when assessing resource consent applications and designing conditions. This leads to a slight increase in resources required for relevant application, but these applications are few in number and the discharge is already being assessed for air quality effects. The cost for resource consents lies with the applicant.

Some additional consents may need to be processed as some permitted activities will become restricted discretionary (discussed below) but this number is expected to be less than 30.

The cost of printing and distributing the amended plan with the new policies is very low, if carried out alongside an upcoming amendment as recommended.

2.3 Overlaps of the Plan and Regulations

There are some instances where both the Regulations and the Plan apply.

All fuel burning equipment must already comply with the Plan which classifies these activities as either permitted or discretionary.

Those devices that are also 'heat devices' under the Regulations are now also managed by the Regulations and are either prohibited or restricted discretionary.

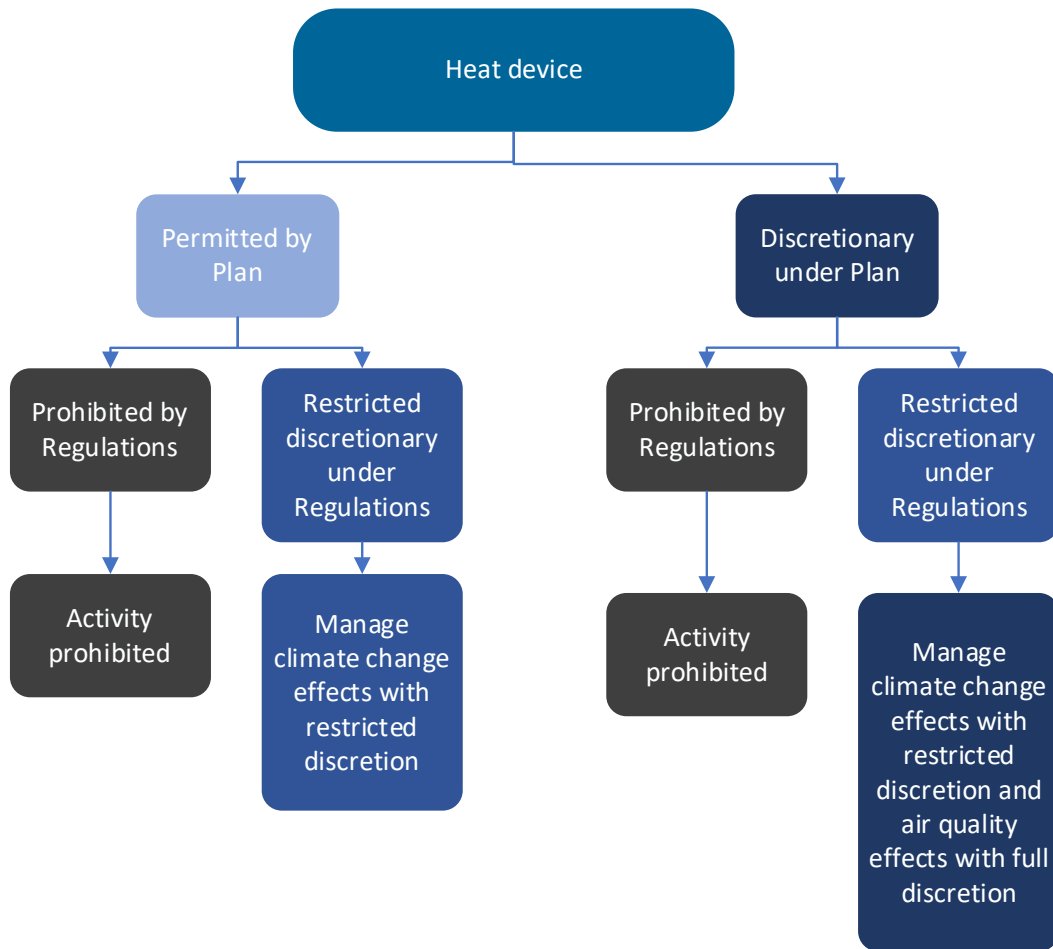
Where both Plan and Regulations apply to the same heat device:

- If the activity is permitted by the Plan but restricted discretionary under the Regulations - the air quality effects are managed by the performance standards of the permitted activity rule and no consent is required for this aspect of the activity.

However, the climate change discharge is a restricted discretionary activity under the Regulations and a consent is required. The assessment of effects and consent conditions can only consider and manage climate change effects and matters of discretion are restricted. Consent terms and conditions are subject to the Regulations.

- If the activity is discretionary under the Plan and restricted discretionary under the Regulations - a consent is required to manage both air quality effects and climate change effects. The assessment of air quality effects, and the term and conditions of consent are fully discretionary. The assessment of climate change effects, and the term and content of consent conditions are restricted discretionary.
- If the activity is prohibited by the Regulation it is prohibited regardless of its status under the Plan.

The diagram below summarises these overlaps.



2.4 Gaps between the Plan and Regulations

There may be some instances where existing heat devices have been permitted by the Plan but are now restricted discretionary under the Regulations.

The Regulations provide a phase-out period where any heat device currently permitted under a regional plan remains permitted until 26 January 2025.

A 2015 technical review of permitted fuel burning equipment identified 10 devices that burned coal and 19 that burned natural gas. Of these devices, not all will also fit the definition of ‘heat device’ and some existing devices may have been removed since then and new devices installed. Approximately 30 devices may be affected by the Regulations. Staff will work with affected operators to assist their transition to restricted discretionary activity status.

2.5 Change to national direction

There is a small risk that the Regulations may be withdrawn by the current Government. This is unlikely as it has not been identified as an action item by the Government. However, if this were to occur, Council can remove the policies at low cost and with low risk.

3. Considerations

3.1 Risks and Mitigations

The risks and mitigations are discussed in the sections above.

3.2 Climate Change

The Regulations are part of the Government's package of projects to manage climate change effects therefore the impacts on climate change have been considered by the Ministry for the Environment when introducing these regulations.

3.3 Implications for Māori

The Ministry for the Environment assessed the appropriateness of the Regulations in their s32 analysis, which includes an assessment of community well-beings.⁴

3.4 Community Engagement



Engagement with the community is not required. Council is specifically directed to make the changes to the Plan without public notification. The Ministry for the Environment provided the draft Regulations to affected parties for submissions prior to final drafting therefore any affected parties have had the opportunity to comment on the legislation.

3.5 Financial Implications

Financial implications have been assessed in the sections above.

4. Next Steps

Staff will include the amendment in the next update to the Air chapter of the Regional Natural Resources Plan. This will most likely be the inclusion of the policies and rules managing bulk solid materials and log handling currently before the Environment Court.

⁴ <https://environment.govt.nz/publications/national-direction-for-greenhouse-gas-emissions-from-industrial-process-heat-section-32-report/>



Report To:	Strategy and Policy Committee
Meeting Date:	20 February 2024
Report Writer:	Dean Howie, Programme Manager - Regional Economic Development
Report Authoriser:	Stephen Lamb, Environmental Strategy Manager Namouta Poutasi, General Manager, Strategy and Science
Purpose:	To update Councillors on the Bay of Connections managed withdrawal and seek approval to disestablish the Bay of Connections Leadership Group.

Regional Economic Development Operational Update

Executive Summary

Council has opted for a new direction and operating model for the Regional Economic Development activity in Long Term Plan 2024-2034. Council's Draft Long Term Plan for Consultation adopted for audit proposed the discontinuation of Bay of Connections (BOC) and Regional Economic Development coordination. Staff are progressing a managed withdrawal from the BOC model, including communicating the change to stakeholders in a staged process.

Staff are seeking Council's approval to disestablish the Bay of Connections Leadership Group, with an effective end date of Thursday, 29 February 2024. The need to do this ahead of final decisions on the draft LTP was included in material to Council LTP Workshops (8 November 2023 and 23 November 2023).

An update on Bay of Connections' current projects, including options for future work to be progressed by other entities, is provided for information.

The future direction of the Regional Economic Development activity will be informed by feedback from public consultation on the Draft Long Term Plan, LTP Deliberations and yet-to-be announced central government policy, and an assessment of the region's economic development landscape.

Recommendations

That the Strategy and Policy Committee:

- 1 Receives the report, Regional Economic Development Operational Update.**
- 2 Approves the disestablishment of the Bay of Connections Leadership Group, with an effective end date of Thursday 29 February 2024.**

3 Notes the future direction of the Regional Economic Development activity is subject to the outcome of public consultation on the Draft Long Term Plan and subsequent deliberations.

1. Introduction

Following a comprehensive review of all Council activities in Long Term Plan workshops across the latter half of 2023, the Draft Long Term Plan 2024-2034 for Consultation reduces levels of service in a number of areas due to the priority of fiscal prudence. Within this, Council has opted to discontinue Bay of Connections and Regional Economic Development coordination.

Bay of Connections is Council’s longstanding structure for delivery of the Regional Economic Development activity and is a recognised brand across the region and New Zealand. Opting for a new delivery model represents a significant change in approach.

This report outlines the stages for a managed withdrawal from the Bay of Connections model and completion of current projects. A timeline for the managed withdrawal is outlined in section 2.1.4, below. A key milestone is the disestablishment of Bay of Connections Leadership Group.

A recommendation from the Bay of Connections review and refresh across 2018-2019 was to establish an independent Leadership Group to provide strategic direction to BOC. That recommendation was adopted by Council at its 9 May 2019 meeting.

Staff are seeking Council’s approval to formally disestablish the Bay of Connections Leadership Group, with an effective end date of Thursday, 29 February 2024.

1.1 Alignment with Strategic Framework

A Vibrant Region	We work with and connect the right people to create a prosperous region and economy.
The Way We Work	We look to partnerships for best outcomes. We continually seek opportunities to innovate and improve.

Following the disestablishment of the Bay of Connections Leadership Group, performance of the activity will be monitored by the Environmental Strategy Manager and General Manager Strategy and Science. Reference to Bay of Connections will be removed from the Draft LTP (to be adopted in June).

1.1.1 Community Well-beings Assessment

Dominant Well-Beings Affected			
<input type="checkbox"/> Environmental	<input type="checkbox"/> Cultural	<input type="checkbox"/> Social	<input checked="" type="checkbox"/> Economic
			Low - Negative

Low negative impact, for the remainder of the current Long Term Plan, due to discontinuation of the Bay of Connections model.

Other implications are outlined in section 3, Considerations.

2. Regional Economic Development Operational Update

2.1 Bay of Connections managed withdrawal

Bay of Connections is Council's long-standing structure for delivery within the Regional Economic Development activity. Established in 2008, BOC's achievements include the development of a regional growth strategy, multiple sector strategies, the support and establishment of a regional aquaculture sector, and more recently the facilitation of timely conversations about industry decarbonisation and the transition to a low carbon circular economy.

A managed withdrawal from the BOC model is important to ensure key stakeholders are informed early and have ample opportunity to provide feedback, and that current projects can be completed and, where possible, future work can be progressed by other entities. The need for a break point prior to decisions on the Draft LTP has been discussed at Council workshops.

2.1.1 Communicating the change

Following adoption for audit of the Draft Long Term Plan (LTP) 2024-2034 for Consultation in December 2023, staff began the process of communicating the impending change to stakeholders in a staged approach:

1. Key BOC stakeholders: Territorial Local Authorities – Chief Executives and staff in economic development focused roles, sub-regional Economic Development Agencies (EDAs) and local representatives of central government agencies (from mid-December 2023)
2. Wider economic development community and BOC network, such as BOP Aquaculture Group, CONNECT BOP and Regional Skills Leadership Group (from late-December 2023)
3. General public, via BOPRC, as part of Council's Draft Long Term Plan public consultation process (March-April 2024).

2.1.2 BOC Leadership Group

Staff are seeking Council's approval to disestablish the Bay of Connections Leadership Group, with an effective end date of Thursday, 29 February 2024 (noting 2024 is a leap year). The Leadership Group consists of a Chair and four members.

The final Leadership Group meeting is scheduled for Friday, 23 February 2024.

2.1.3 Retiring the BOC brand and communication channels

The Bay of Connections brand will be retired on 31 May 2024, to allow sufficient time for remaining projects to be completed and the outputs and/or outcomes to be shared with stakeholders via the BOC newsletter and social media channels.

The BOC website will be taken offline on 31 May 2024, all reports, documents and website content will be archived. The 'Economic Development' content on the BOPRC website will be refreshed by the same date.

2.1.4 Timeline for managed withdrawal

The timeline below outlines the key dates of the Bay of Connections managed withdrawal and project completion. The managed withdrawal coincides with the latter stages of Council's Long Term Plan process, including public consultation.

Date	Item	Action
20 February 2024	Council Strategy & Policy Committee meeting	Seek approval to disestablish the BOC Leadership Group
23 February 2024	BOC Leadership Group meeting	Conclude BOC Leadership Group and outstanding business
End of February 2024	Circular Economy project	Share report with stakeholders, supporting communications
March to April 2024	LTP public consultation	Seek feedback on proposal to discontinue Regional Economic Development coordination
End of March 2024	EECA Bay of Plenty Regional Energy Transition Accelerator (RETA) planning stage report	Share report with RETA stakeholders, supporting communications
End of March 2024	Transition to a low carbon economy: Labour market data analysis	Share analysis with relevant parties
29 May 2024	Council LTP deliberations	Consider any feedback received during public consultation
31 May 2024	Retire BOC brand	BOC website and social media channels closed
26 June 2024	LTP adoption	Discontinue Regional Economic Development coordination

2.2 Activity update

Bay of Connections is finalising its remaining projects, as outlined below. Project outputs and/or outcomes will be shared with BOC stakeholders and relevant parties. Options for future work to be progressed by other entities, where possible, have been identified.

2.2.1 Western BOP Circular Economy opportunities

Bay of Connections is partnering with Tauranga City and Western Bay of Plenty District councils to identify circular economy opportunities in the Construction, Healthcare and Food and Beverage Manufacturing sectors within the Western Bay of Plenty sub-region. While the project is limited to the Western Bay, the identified interventions could be adopted by industry and/or councils across the Bay of Plenty.

The project partners are currently reviewing a draft of the final report, with the completed report indicatively available by the end of February/early March 2024.

The completed report will be circulated to Councillors at the earliest opportunity and potentially presented at the Strategy & Policy Committee meeting on 9th April 2024.

Forward action will need to be driven by local authorities (which have responsibility for waste services) in collaboration with industry. The report and key findings will be shared with the Rotorua Lakes, Whakatāne, Ōpōtiki and Kawerau District councils and sub-regional Economic Development Agencies (EDAs) to facilitate local interventions and industry engagement.

Related workstreams

Circular economy initiatives in the construction and demolition sector are gaining momentum across New Zealand. Within the wider Bay of Plenty, Community Resources Whakatāne (CReW) offers a pick-up service for construction and demolition waste to enable reuse of materials, Taupō District Council has recently hosted a “Tradie Breakfast” series⁵ focused on reducing waste and materials recovery, and Priority One is progressing a ‘Circular Construction’ project to form an industry-led group that will drive efforts to reduce waste, foster resource efficiency, and minimise the environmental impact of construction activities across the sub-region.

2.2.2 EECA Bay of Plenty Regional Energy Transition Accelerator

The Energy Efficiency & Conservation Authority (EECA) is working towards publishing the Bay of Plenty Regional Energy Transition Accelerator (RETA) planning stage report in late March 2024. Bay of Connections will support EECA with media around the report’s publication and circulate the report to stakeholders engaged during the planning stage.

The implementation stage of the RETA programme ultimately rests with local industrial process heat users, working in collaboration with EECA.

There is a role for sub-regional EDAs to work with local businesses on energy transition initiatives and industry decarbonisation, if this aligns with the respective EDAs’ strategic direction and their internal capability and capacity.

Staff in the Regional Economic Development activity will continue to connect organisations interested in energy transitions with the EECA team.

⁵ Taupō District Council, Tradie Breakfasts. <https://www.taupodc.govt.nz/property-and-rates/rubbish-and-recycling/tradie-breakfasts>

2.2.3 Transition to a low carbon economy: Labour market analysis

As part of its Decarbonisation focus, Bay of Connections initiated a data analysis project to understand possible impacts of the transformation to a low carbon economy on the labour market. The objective is to identify the industries and occupations most likely to be significantly impacted by the transformation, and (pending availability of data) understand if some segments of the labour market are more at risk of transformation impacts than others.

The data analysis is on track for completion at the end of March 2024. As an internally delivered project this will not be impacted by the discontinuation of BOC.

The completed analysis will be shared with the sub-regional EDAs and other agencies involved in workforce development initiatives across the region.

The Regional Skills Leadership Group (RSLG) was a key audience for this work, to support the Climate Change aspiration within its Regional Workforce Plan, however the coalition government has recently announced that funding for RSLGs will be withdrawn.

2.3 Future direction of the activity

The future direction of the Regional Economic Development activity will be informed by several factors, including feedback from public consultation on the Draft LTP and Council's LTP deliberations, central government policy and an assessment of the region's economic development landscape.

Key to the future of the activity is articulating how it will contribute to the relevant goals of Council's Strategic Framework for LTP 2024-2034:

- Goal 6: We will empower communities to make sustainable choices and transition towards a low carbon economy.
- Goal 11: We support development and growth that takes into account the four Well-beings of people and communities, the need to maintain and enhance the quality of the environment, and the reasonably foreseeable needs of future generations.

Additional goals supported through this activity might include:

- Goal 12: Enable and advocate for climate resilient spatial plans that take a sustainable development approach.
- Goal 13: Regional infrastructure is resilient, efficient and integrated.

The coalition government is yet to announce policy programmes that may influence the focus and future direction of the activity. Notable items from the Coalition government 100-day plan and coalition agreements include:

- Begin efforts to double renewable energy production (100-day plan)
- Begin work on a National Infrastructure Agency (100-day plan)
- Institute long-term city and regional infrastructure deals (National and ACT coalition agreement), and
- Establish a Regional Infrastructure Fund with \$1.2 billion in capital funding over the Parliamentary term (National and New Zealand First coalition agreement).

Staff are in contact with Kānoa - Regional Economic Development & Investment Unit representatives to share information and keep up to date with policy developments.

Staff are currently framing up options for the future of the activity, to be refined following feedback received at key milestones in the Long Term Plan process and any policy announcements.

Options for the future of the activity will be presented to Councillors in due course.

3. Considerations

3.1 Risks and Mitigations

The possible reputational risk for discontinuing Bay of Connections is mitigated by early communication with BOC's key stakeholders and providing ample opportunity for feedback on the impending change, including through public consultation on the Draft Long Term Plan. Stakeholders informed to date are understanding of the decision.

The Bay of Connections Leadership Group will be disestablished and BOC's work programme all but completed prior to the close of public consultation on the Draft Long Term Plan. Councillors are clear about seeking a new direction and operating model for this activity. Staff will bring options for Councillors to consider in due course

Should approval not be given to disestablish the Bay of Connections Leadership Group at the end of February 2024, Council has an option to place the Leadership Group in abeyance until the matter is reconsidered prior to the end of the current LTP.

Funding provided to third parties for regional economic development projects will no longer be provided through this activity. These parties may seek funding from Regional Council through different activities or funding streams.

3.2 Climate Change

Bay of Connections' work programme is focused on decarbonisation and circular economy initiatives. While options to progress future work on these initiatives have been outlined in section 2.2, it is possible progress may stall if the entities identified cannot undertake this work due to resource constraints or competing priorities.

There is no longer funding for dedicated regional economic development coordination projects to continue so this may make it difficult for other Regional Council teams or activities, such as the Climate Change Programme, to continue this work.

These factors may impede Council's ability to achieve Goal 6 of the Strategic Framework for the Draft Long Term Plan 2024-2034: "*We will empower communities to make sustainable choices and transition towards a low carbon economy.*"

3.3 Implications for Māori

Communications about the impending change to Bay of Connections' key stakeholders and wider network includes iwi and hapū contacts, where those groups have been engaged in BOC activities.

Māori economic development, within the context of the regional economic development landscape, is a consideration for the future direction of this activity. Māori development is a focus for several central government agencies, sub-regional EDAs and Toi Kai Rawa, the region's Māori economic development agency, among other entities.

3.4 Community Engagement



CONSULT **Whakauiuia**

To obtain input or feedback from affected communities about our analysis, alternatives, and /or proposed decisions.

Council will consult with the public on its Draft Long Term Plan 2024-2034, including the proposal to discontinue regional economic development coordination.

3.5 Financial Implications

The subject of this report is in response to reductions in expenditure that are being proposed in the Draft LTP. There will be a forecast underspend in this activity in the current financial year as a result of the managed withdrawal from Bay of Connections and any new BOC projects not being progressed.

4. Next Steps

Pending Council approval, the Bay of Connections Leadership Group will be disestablished, with an effective end date of Thursday 29 February. The final Bay of Connections' Leadership Group meeting will take place on Friday 23 February.

Staff will continue to progress the managed withdrawal from the Bay of Connections operating model and complete remaining projects, per the timeline outlined in section 2.1.4 of this report. Delivery of key milestones will be reported to Strategy and Policy Committee at subsequent meetings, and to Councillors via the General Manager Strategy and Science during the intervening period.

Staff will present options for the future direction of the Regional Economic Development activity to a Strategy and Policy workshop following public consultation on the Draft Long Term Plan 2024-2034.



Report To:	Strategy and Policy Committee
Meeting Date:	20 February 2024
Report Writer:	Penny Doorman, Programme Leader - Geothermal and Freya Camburn, Senior Policy Analyst
Report Authoriser:	Namouta Poutasi, General Manager, Strategy and Science
Purpose:	To seek confirmation of a revised timeframe for Plan Change 11 Geothermal.

Plan Change 11 Geothermal

Executive Summary

The Geothermal Regional Plan Change (PC 11) will address provisions for all geothermal systems in the Bay of Plenty Region and give effect to the Regional Policy Statement (RPS). The plan change has been initiated, with an early focus on building understanding and technical inputs, and on the development of the Rotorua System Management Plan (SMPs). As a result, the timeframe for the plan change has been delayed on several occasions, with agreement from Council. However, the Rotorua SMP is nearly complete, and staff are now in a good position to progress the plan change. An updated process and timeframes are proposed.

Recommendations

That the Strategy and Policy Committee:

- 1 **Receives the report, Plan Change 11 Geothermal.**
- 2 **Agrees a timeframe of March 2025 for notification of Proposed Plan Change 11 Geothermal (region-wide).**

1. Introduction

The Regional Council manages 12 geothermal systems under the Resource Management Act 1991 (RMA). The Regional Policy Statement (RPS) sets the overall management framework, including sustainable and integrated management, and the

development of system management plans (SMPs) for certain systems (e.g., Rotorua, Kawerau⁶ and Tauranga⁷).

The RPS policies will be given effect to through changes to the geothermal provisions of the Rotorua Geothermal Regional Plan and the Regional Natural Resources Plan (RNRP). Council has previously endorsed a process for the plan change, including combining all geothermal provisions under the RNRP.

It is also intended that the SMPs will provide broad principles for management of each system and inform the plan change. They will form part of the section 32 record and will be given weight in resource consent processes via the policies and rules (being drafted in the plan change).

1.1 Alignment with Strategic Framework

A Healthy Environment	We develop and implement regional plans and policy to protect our natural environment.
------------------------------	--

1.1.1 Community Well-beings Assessment

Dominant Well-Beings Affected			
<input checked="" type="checkbox"/> Environmental Medium - Positive	<input checked="" type="checkbox"/> Cultural Medium - Positive	<input type="checkbox"/> Social Low - Positive	<input type="checkbox"/> Economic Low - Positive

2. Drivers for Plan Change 11

2.1 Legislation

The key driver for Plan Change 11 is the requirement under the Resource Management Act 1991 (s79) to carry out 10 yearly review of regional policy statements and regional plans. The Rotorua Regional Geothermal Plan became Operative in 1999, the Regional Natural Resources Plan in 2008.

In addition, the plan change will give effect to the RPS, which became operative in October 2013. Plan changes were to have taken place by 2015 (Method 2 of the RPS).

2.2 Sustainable management

While many of the geothermal provisions in the RNRP are sound, some are outdated and do not give effect to the RPS. For example, new policies are needed on SMPs and the protection of significant natural features. Increased focus on renewable energy also makes clear policy and certainty important, particularly for Conditional Development Systems.

A key concern is the dated provisions in the Rotorua Geothermal Regional Plan. The evidence base for the Rotorua SMP has shown that the Rotorua geothermal system is vulnerable and under increased pressure, and that the current plan provisions do

⁶ Kawerau SMP was approved by Council on 20 February 2018.

⁷ Tauranga SMP is in pre-draft form. Geothermal plan provisions will be integrated with the NPSFM implementation process noting the current discussion on NPSFM implementation timeframes.

not provide it adequate protection. Nor does the plan provide for mātauranga Māori, or for Māori customary uses.

Delaying the plan change potentially risks the sustainable management of geothermal, particularly in Rotorua.

2.3 Reputational risk

The need for a plan change has been widely socialised. In Rotorua tangata whenua have made a significant commitment to the development of the SMP and there are expectations that an imminent plan change will include new provisions to reflect the principles in the SMP (e.g., values-based allocation, mātauranga Māori). Deferring the process now would undermine repeated commitments from Council and may be viewed negatively by tangata whenua who have expressed some scepticism at Council's genuineness to bring about change.

It is however acknowledged that Māori have previously raised concerns about plan changes progressing before ownership of the resource has been determined. This remains a risk.

2.4 Impacts of further legislative review

The review of the RMA signalled by the Government may impact Plan Change 11. However, any changes are very unlikely to negate the need for contemporary and evidence based geothermal policy. Also, use of geothermal is increasingly appealing as a renewable low carbon energy source. Having robust policy to manage the resource during reform is more important than ever. There may be a need to review the plan provisions under new legislation, but transitional provisions would likely apply.

Changes to the National Policy Statements Freshwater Management will not impact geothermal directly, but ensuring integration and avoiding duplication of processes remains important. An options paper is being taken to Council in February 2024 regarding progression of the freshwater plan changes, and this will be taken into account for PC 11.

While it is a period of uncertainty, the management issues and solutions for geothermal are unlikely to fundamentally change, so the risks of progressing PC11 are small. Even if the timeframes and process need to be amended, any technical and engagement work progressed will not be lost (e.g., they can inform SMPs) Also, for some iwi, planning timeframes are tight, so the earlier engagement is progressed the better.

3. Progress to date

While PC11 is region wide, each geothermal system has different characteristics and communities of interest. This has made it practical to progress the plan change on a system-by-system basis, before bringing all provisions together in a single plan change. Early focus was on the Rotorua System and some work has also been progressed for other geothermal systems, as outlined below:

- Section 35 plan reviews have been completed for all systems
- Draft plan provisions and a draft section 32 report are nearly complete for the Rotorua System (an early draft of plan provisions was viewed by Councillors)

- An engagement plan and information pack has been developed for all other geothermal systems ('rest of region')
- Initial engagement has begun with several iwi, land trusts and stakeholders on PC11, with an expectation of further engagement soon
- The science evidence base for the rest of region provisions has been started, (e.g., a Science Summary report, and more detailed reports for some systems)
- Initial draft provisions and section 32 report are underway for the rest of region.

3.1 Previous Decisions

The Committee has considered timeframes and progress toward PC11 and the Rotorua SMP on several occasions. In 2015 the Regional Direction and Delivery Committee approved delaying the plan change process, to allow reasonable time to build the evidence base. This has included comprehensive technical assessments of geothermal; in particular, in Rotorua.

At Committee workshops on 10 December 2020 and June 2021 the Committee agreed in principle to progress the development of the Rotorua SMP, in advance of the plan change. In subsequent workshops the Committee informally reviewed draft regional plan provisions for Rotorua. The SMP was then released for engagement in September 2023 and with a Hearing of submissions taking place on 13 and 14 February 2024. The final SMP will be approved in April 2024.

4. Options to progress Plan Change 11

Four broad options (with revised timeframes), were considered to progress PC11.

Table 1

Option	Notification	Description
1	March 2025	Progress region wide PC11 provisions, as per revised timeframes shown in Table 3.
2	September 2024	Progress plan change for Rotorua provisions ONLY with rest of region progressed (either to coincide with the freshwater plan change, or post RMA reforms).
3	September 2025	Amend timeframes for PC11 to coincide with notification of Freshwater plan change process (as per most recent staff recommendations)
4	Unknown	Delay PC 11 including drafting and engagement until resource management reforms are enacted

An assessment of the benefits and costs of these options is shown in Table 2 below.

Table 2

Option	Benefits	Costs
1	<ul style="list-style-type: none"> • Promptly addresses environmental issues • Gives effect to the RPS • Builds on previous momentum • Limits wasted effort • Keeps previous commitments • May be possible to manage integration with the freshwater process. 	<ul style="list-style-type: none"> • Uncertainty over future legislative changes • Timeframes for engagement etc are still quite tight
2	<ul style="list-style-type: none"> • Rapid progression (in part) • Addresses most pressing issues • Builds on SMP momentum • Focusses future engagement 	<ul style="list-style-type: none"> • Not integrated with wider PC11 • Costly dual plan change process • Confusing for people who connect with multiple geothermal systems • Does not address rest of region issues • Does not follow through on previous commitments and messaging
3	<ul style="list-style-type: none"> • Streamlined processes. • More time for engagement • More time for drafting • More time for consideration by Council 	<ul style="list-style-type: none"> • Confusion over process • Engagement and staff fatigue when combined with freshwater process • Different communities • Different issues • Different statutory drivers • Lost momentum • Delays resolution of issues for Rotorua
4	<ul style="list-style-type: none"> • Clarity around legislative review • Can progress some changes operationally or through SMPs 	<ul style="list-style-type: none"> • Does not give effect to the RPS • Poor environmental outcomes • Uncertainty • Lost momentum • Loss of good faith with iwi and community

The preferred option is Option 1: To continue progressing PC11 for notification in March 2025.

4.1 Recommended Timeline

The timeframes in Table 3 below are considered realistic for staff, for iwi and for Councillors. They are subject to Committee meeting dates, and will be amended to take into account any revised timeframes for the freshwater plan changes.

Table 3

Timeframe	Tasks
March-April 2024	Pre-draft engagement tangata whenua and key stakeholders
May	Drafting
June 2024	Council meeting and approval of Draft Plan Change
July 2024	Release draft plan change for engagement
Aug-Sep 2024	Engagement on Draft
Oct-Dec 2024	Refinement of draft following engagement/drafting
February 2025	Committee workshop
March 2025	Council decision to approve Notification of Proposed Plan

5. Considerations

5.1 Risks and Mitigations

There are no significant risks associated with this matter. Refer to the discussion above and the options analysis in Table 2.

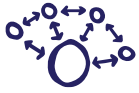
5.2 Climate Change

The matters addressed in this report are of a procedural nature and there is no need to consider climate change impacts.

5.3 Implications for Māori

The plan change has important implications for Māori, both as iwi, developers of the geothermal resource and as kaitiaki. They have expressed the need for meaningful change as a result of the plan change process, especially for the Rotorua System. As landowners of Conditional Development Systems, Māori have expressed a desire to work closely with Council to develop enabling policy for sustainable development, and also embed a partnership approach in management. This will include engagement with ahu whenua trusts in particular, and iwi authorities, which is already underway in some cases. Progressing PC11, as per the recommendations will allow this progress to continue.

5.4 Community Engagement



CO-OPERATE Mahi Ngātahi

To work closely with affected communities to develop alternatives and recommend a preferred solution.

The Rotorua SMP involved considerable community engagement. Further engagement is now needed on the draft regional plan provisions. The development of policy for other geothermal systems such as Tāheke, Tikitere, Waimangu and Kawerau, will require system specific engagement plans.

5.5 Financial Implications

There are no material unbudgeted financial implications and this fits within the allocated budget.

6. Next Steps

On confirmation of the Committee's preferred timeframe to progress PC11, staff will update their project plan. If Option 1 is accepted by the Committee, staff will confirm their engagement plans and material, and initiate engagement with iwi in March 2024. Staff will then work with the Communications Team to update stakeholders on the revised timeframes.

Should the geothermal plan change process be deferred, either to coincide with the freshwater plan changes, or legislative change, a comprehensive communications strategy will need to be developed and carefully implemented.