



27 June 2024

Committee Secretariat  
Primary Production Committee  
Via [pp@parliament.govt.nz](mailto:pp@parliament.govt.nz)

Tēnā koe,

## **Expediting the creation or amendment of national direction under the RMA**

Powerco supports a more streamlined and efficient approach to creating and amending national direction under the Resource Management Act (RMA). Adapting to and mitigating the effects of climate change will require national direction policy and environmental standards in order for Aotearoa New Zealand to deliver on climate goals. It is our view that new or updated national direction is needed in many areas, including specifically for electricity distribution, to provide clarity and facilitate infrastructure investment.

Electrifying New Zealand's economy will play a large part of achieving net zero for long lived gases by 2050, the Boston Consulting Group's 2022 report '*The future is Electric*'<sup>1</sup> highlighted the 2020's as being critical to New Zealand's transition to net zero. Investment in the distribution sector alone is estimated at \$22 billion; however, to enable this investment national direction is required to navigate the current constraints and inefficiencies experienced under the RMA.

Powerco is one of Aotearoa's largest gas and electricity distributors, supplying around 357,000 (electricity) and 114,000 (gas) urban and rural homes and businesses in the North Island. Our electricity distribution network measures over 20,000km in length, while our gas distribution network measures over 6,200km, providing essential services to around 1 million kiwis.

With our wide geographical spread, we operate assets within six regions, under 29 district plans, and pursuant to numerous resource consents and designations. The regulation of distribution activities has been challenging to date under the RMA. The RMA and current national direction has provided policy support to electricity generation and transmission, but not to distribution – despite the energy system needing all of its constituent parts to be able to function to provide affordable, reliable and low emissions energy to consumers.

We support amendments to streamline the process for national direction and our views on the Bill are:

<sup>1</sup> [Climate Change In New Zealand | The Future Is Electric | BCG](#)

**Removing the BOI process reflects current practice**

- We support the removal of the BOI process to streamline the process for preparing national direction.
- The BOI process, although independent; adds unnecessary time and cost to a process that can be appropriately managed through an existing alternative process, which has effectively become the default in any case. The BOI process can take up to 9 months to reach a decision on the matter. Other aspects of the process and the inclusion of section 32AB covers the fundamentals of assessment criteria – ensuring a robust process will be undertaken in a timely manner.

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**A process to ensure National Environmental Standards align with recognised obligations**

- We support replacing s44(3) with an enabling provision such that the Minister can recommend a change to a National Environmental Standard to ensure alignment with recognised obligations or other minor changes. We particularly endorse the need for a simple process so national environmental standards align with NZ standards and similar obligations.
- We recommend that the principle of alignment with a ‘standard’ should be broadened to include codes of practice, especially those endorsed by Worksafe that ensure safety. We sought clarification from Ministry for Business, Innovation and Employment as to whether the New Zealand Electrical Code of Practice for Electrical Safe Distances (ECP34:2001) met the definition for ‘Standard’ under the Standards and Accreditation Act 2015. We are yet to receive a response. ECP34 has direct interaction with planning requirements and is a type of standard issued by Worksafe.
- In the event that ECP34 is not deemed to have met the definition criteria, we strongly recommend adjusting s44(3)(a) to align with a New Zealand Standard within the meaning of section 4 of the Standards and Accreditation Act 2015 **or a Code of Practice issued by Worksafe.**

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**Focused evaluation for national direction**

- We support a streamlined approach to evaluating national direction proposals through the new s32AB.
- The proposed focus on the effectiveness of the proposal, the environmental and economic impacts, and reasonably practicable alternative options, focuses the evaluation on the key areas of consideration. It will enable evaluation documents to be more targeted and meaningful to inform the process for developing and deciding national direction.

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**Minor amendments for correct interpretation**

- We support replacement of sections 44(3)(f) and 53(2)(a) to enable the Minister to amend a National Environmental Standard or National Policy Statement without undergoing the full process if the amendment has no more than minor effect **or** is for ‘technical alterations’. There are examples where standards or policies have been misinterpreted over time, or have been implemented differently to what was originally intended when the standard or policy was made, eg Policy 6 of the NPS-ET. While fixing

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this may be a 'similar technical alteration', we suggest explicitly including this as a reason under s44(3) to enable the Minister to amend national direction, so it continues to achieve its intended purpose.

- We recommend that s44(3)(f) be amended to make changes that are no more than minor in effect, to correct errors, **to correct wording for intended interpretation**, or to make similar technical alterations.

These amendments to streamlining the preparation and amendments to national direction is an opportunity to improve timeframes and cost delays and ensure a more appropriate approach is taken.

If you have any questions regarding this submission or to talk further, please contact the author ([adam.dufall@powerco.co.nz](mailto:adam.dufall@powerco.co.nz)). We give consent for this submission to be published in full.

Nāku noa, nā,



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