te kaunihera ā-rohe o
matamata-piako
district council

Kaunihera | Council

Ngā Tāpiritanga – Pūrongo | Attachments – Reports

ATTACHMENTS UNDER SEPARATE COVER

Notice is hereby given that an ordinary meeting of Matamata-Piako District Council will be held on:

Ko te rā | Date:	**Wednesday 5 March 2025**
Wā | Time:	**09:00**
Meeting Room:	**Council Chambers**
Wāhi | Venue:	**35 Kenrick Street TE AROHA**

TAKE | ITEM NGĀ IHINGA | TABLE OF CONTENTS WHĀRANGI | PAGE

te kaunihera ā-rohe o
matamata-piako
district council

10/02/2025

Committee Secretariat
Environment Committee
Parliament Buildings
Wellington

By email
en.legislation@parliament.govt.nz

Dear Environment Committee Members

Matamata-Piako District Council submission to the Resource Management (Consenting and Other Systems Changes) Amendment Bill

Thank you for the opportunity to provide feedback on the Resource Management (Consenting and Other Systems Changes) Amendment Bill. Please find attached, at Appendix 1, the Matamata-Piako District Council's (MPDC) feedback.

MPDC supports the practical improvements contained in the bill and welcomes the opportunities presented to create much needed efficiencies and cost reductions across the RMA system, in particular:

- The ability to refuse land use consents or impose conditions when significant natural hazard risk areas are present and the immediate legal effect of rules in proposed plans that relate to natural hazards,
- Improved provisions in relation to applicants that don't or refuse to supply additional information as requested,
- The new section that relates to emergency response regulations, and
- The greater ability to consider ongoing non-compliances at the time of decision making, or setting of conditions.

MPDC acknowledges that this bill intends to address immediate issues and concerns, while further legislative review takes place. There is concern that some of the provisions proposed in the bill have no policy context or guidance for those implementing the provisions and as such national direction documents should be developed. MPDC is concerned that lack of national direction will reduce the effectiveness and efficiency that could be gained from the provisions in the bill, through inconsistent administration.

We look forward to any future consultation process on the bill and welcome the opportunity to comment on any issues explored during their development.

35 Kenrick Street - PO Box 266 - Te Aroha 3342 - www.mpdc.govt.nz
Morrinsville & Te Aroha 07 884 0060 - Matamata 07 881 90 50

While we do not wish to be heard, should you have any queries regarding this feedback, please contact Carolyn McAlley, Senior RMA Policy Planner in the first instance, on cmcalley@mpdc.govt.nz.

Regards

Manaia Te Waita
Chief Executive Officer
Matamata-Piako District Council

Appendix 1 Submission of the Matamata-Piako District Council to the Environment Select Committee on the Resource Management (Consenting and Other System Changes) Bill		
Existing or Proposed new provision or amended provision or other suggestion	Bill Clause #	Description, Comment and Recommendation
Infrastructure and Energy		
New s88BA Certain consents must be processed and decided no later than 1 year after lodgement.	cl 29	<u>Description</u> The Bill proposes that certain consents, for a specified energy or wood processing activity must be processed and decided no later than a year after lodgement. The statutory summary advises that "the Bill aims to reduce delays in consenting for renewable energy generation by requiring 1-year decision making for renewable energy generation consents. For new geothermal and hydroelectricity generation activities, consent authorities must extend the 1-year timeframe at the request of the applicant or at the request of specified groups (to uphold treaty settlements and other arrangements). For other renewable and existing hydroelectricity and geothermal generation activities, the consent authority must extend the 1-year timeframe at the request of the applicant, and may extend the 1-year timeframe, to no more than a 2 year timeframe in total, at the request of specified groups (to uphold treaty settlements and other arrangements). <u>Comment</u> This proposal uses two new defined terms "*wood processing activity*" and "*specified energy activity*" and the MPDC response to the "*specified energy activity*" definition is discussed separately immediately below this submission point. MPDC supports the focus on the consenting of new infrastructure, in particular renewable energy. MPDC does have some concerns at the truncated 1 year timeframe, given that applications for these activities typically technical and complex, and are likely to generate significant adverse effects and would look to utilise the pre application meeting process to ensure that applicants are well prepared and lodge the correct material as this will contribute to making the 1 year timeframe achievable. While MPDC is supportive that the consent timeframes can be extended at the request of Iwi, as described in section 3 of this amendment to enable consideration of their concerns, MPDC does have concerns that this reference to Iwi/ Māori is different from the reference to Iwi/ Māori made in clauses 34, 42, 47 and 64 and seeks consistency throughout the document to ensure that the obligations are met under Te Tiriti o Waitangi when and where appropriate. <u>Recommendation</u> MPDC supports the proposal in part, subject to the consistent referencing, as appropriate to Iwi/Māori throughout the suite of proposed amendments, in particular proposed amendment clauses 29/34/42/47 and 64.

New definition *Specified Energy Activity*.	cl 4	Description The Bill proposes a new definition: *Specified Energy Activity*: Means (a) "The establishment, operation, or maintenance of an activity that produces energy from solar, wind, geothermal, hydro, or biomass sources. (b) The establishment, operation, or maintenance of the transmission and distribution of electricity through the electricity network." Comment Currently the proposed interpretation for specified energy activity talks to producing energy. We have made an assumption that it is intended to also include energy sources of heat for direct use, not just electricity, therefore MPDC considers that the definition should be amended to make this clear. Recommendation Amend the definition of *Specified energy activity* (a) from "...that produces energy..." to "(a) the establishment, operation, or maintenance of an activity that converts energy from solar, wind, geothermal, hydro, or biomass sources…, as follows; Means (a) "~~The establishment, operation, or maintenance of an activity that produces energy from solar, wind, geothermal, hydro, or biomass sources~~'. The establishment, operation, or maintenance of an activity that converts energy from solar, wind, geothermal, hydro, or biomass sources. (b) The establishment, operation, or maintenance of the transmission and distribution of electricity through the electricity network."
New s123B Duration of consent for renewable energy and long lived infrastructure.	cl 42	Description The Bill proposes a new clause relating to the duration of a consent for "*renewable energy*" and" *long lived infrastructure*"- both new terms. A resource consent authorising a renewable energy and long lived infrastructure activity must specify the period for which the consent is granted, with a default period of 35 years unless an exemption is sought. The exemptions include if the applicant requests it, if an NPS/NES expressly allows shorter timeframe; or it is requested by particular Māori groups. Comment The proposed amendment contains a term that is undefined "*renewable energy*" and there would be benefit in providing a definition of this term to aid the understanding and application of this new section. The proposal contains a new defined term "*long lived infrastructure*" and this is discussed immediately below as the next submission point in the submission table. The default 35 year consent period is a welcome amendment and recognises the need for security of investment, however there could be unintended consequences that may arise for activities with uncertain adverse effects. Longer consents require robust environmental assessments, environmental safeguards, iwi engagement, and review options, especially for those activities with evolving environmental effects. A strategy that many of the councils use is adaptive management

		conditions, requiring regular reviews and compliance with updated standards. Another way to mitigate the potential effects of the long term activities is through the conditions review under s128, although this may be more onerous. It may be that the addition of the requirement to consider adaptive management conditions when granting those kind of consents would be appropriate as they have currently are been used as a good management practice but are not compulsory. Another concern relates to an unintended consequence arising from the wording in new s123B. Regional and land use consents will usually be required for renewable energy and infrastructure activities when they are undertaken outside of designations. The RMA provides that land use consents are granted with no duration attached to them (they are granted indefinitely). The amendment effectively shortens the term by requiring a 35 year term. MPDC recommend amending clause 42 so it does not apply to s9 land use consents. <u>Recommendation</u> That the proposal is retained with amendments related to; • The inclusion of adaptive management conditions to ensure that any likely adverse effects are minimised, and • Ensuring that the 35 year term does not apply to s9 land use consents.
New definition *Long lived infrastructure.*	cl 4	<u>Description</u> The Bill introduces a new definition "*long lived infrastructure*" that contains a large list including gas distribution pipelines, telecommunications networks, facilities for the generation of electricity and lines and structures to convey this excluding personal generation set ups, structures for transport on land including cycleways, rail, roads, walkways and any other means, facilities for unloading of passengers or cargo transported on land by any means, and any activity or thing that regulations prescribed under s360 describe as *long lived infrastructure.* <u>Comment</u> MPDC appreciates the wide range of infrastructure covered by this term but considers there would benefit in expanding the range of infrastructure items to include items such as local government infrastructure which would include flood and control managed infrastructure (e.g. embankments and reservoirs) and water services (where this has not been included elsewhere). It is also not clear if bridges are to be included. It would be preferable to include these items in the definition in order to benefit from the default maximum 35 year consent period. MPDC has a further concern regarding the proposed definition of *long-lived infrastructure* which is a list of activities (e.g. pipelines, networks, facilities and structures). It does not provide a quantifiable timeframe for how long something should last (its anticipated life span). In order to be able to implement this new definition, the definition must also define "long-lived", i.e. the anticipated life span of the infrastructure in question. <u>Recommendation</u> MPDC supports the proposed definition of long lived infrastructure and seeks that it retained subject to the following amendments; • include local government infrastructure such as flood control measures, municipal infrastructure such as water services and bridges, and

		• Defines within the long-lived infrastructure definition, what is meant by long-lived in relation to infrastructure items.
Amend s168 Notice of requirement to territorial authority.	cl 49	Description The Bill proposes that s168 is amended to require a notice of requirement given by a Minister or local authority to include an assessment of any effects that the project or work will have on the environment. The amendment provides for the matters that the assessment must consider. Information provided in the assessment need only be at a level of detail that is proportionate to the nature and significance of any effects of the project or work. Comment MPDC believes that this proposal is consistent with other matters raised in this Bill, in that information supplied with an application is proportionate to the nature and significance of any effects of the project or work. Recommendation That the proposed amendment to s168A is retained.
Amend s168A Notice of requirement by territorial authority.	cl 50	Description The proposal is to delete existing clauses that relate to whether adequate consideration has been given to alternative sites, routes, or methods of undertaking the work if the requiring authority does not have an interest in the land sufficient for undertaking the work; or it is likely that the work will have a significant adverse effect on the environment; and whether the work and designation are reasonably necessary for achieving the objectives of the requiring authority for which the designation is sought. The amendment will change (reduce) the instances where some assessments occur. Now only if a requiring authority does not have an interest in the land sufficient for undertaking the work, will regard be given to whether adequate consideration has been given to any alternative sites, routes, or methods of undertaking the work and whether the work and designation are reasonably necessary for achieving the objectives of the requiring authority for which the designation is sought. Comment MPDC does have some concerns regarding this proposed amendment and the reduced instances where the alternatives assessment will take place as this may not result in the best environmental outcomes for the community or the environment. Recommendation That the proposal is deleted.
Amend s184 Lapsing of designations which have not been given effect to.	cl 52	Description The Bill proposes that the lapse period for designations is increased from 5 to 10 years. Comment The statutory summary states the reason for this amendment is that it "will provide greater certainty for operators and allows for more time to plan and design infrastructure, and to acquire land under the Public Works Act 1981." MPDC supports this proposed amendment for those operators who do take longer to plan and design their infrastructure. Recommendation MPDC supports the proposed amendment in part and seeks a further amendment that the increase in the lapse period.
Amend s184A	cl 53	Description

Lapsing of designations of territorial authority in its own district.		The Bill proposes that the lapse period for designations of a territorial authority in its own district are increased from 5 to 10 years. Comment The statutory summary advises the reason for this amendment is that it "will provide greater certainty for operators and allow for more time to plan and design infrastructure, and to acquire land under the Public Works Act 1981." MPDC supports this proposed amendment for the reasons stated in the statutory summary report. Recommendation MPDC supports the proposed amendment and seeks that it is retained.
Housing Growth		
Amend s80C Application to responsible Minister for direction.	cl 20	Description The proposed amendment enables a local authority to apply to the Minister for a direction to remove heritage buildings and structures using the streamlined planning process (also to be amended). Comment MPDC is concerned that as part of the proposed amendments to enable more housing that the proposed amendments seek to allow the descheduling of historic heritage building and structures. "This could occur as the proposed change will allow councils to apply to the Minister for the Environment to use Streamlined Planning Process (SPP) to remove buildings and structures from their heritage schedules. To achieve this, a change would be made to the SPP entry criteria to provide that the SPP can be used where the proposed planning instrument would deschedule a heritage building, thereby removing restrictions that apply to the building for the purpose of protecting historic heritage. In practice, councils would still need to follow a plan change process" [1] but there would be no right of appeal. While this approach does limit the instances when descheduling could occur, it does not provide any particular context or criteria as to what sort of item can be descheduled, other than it can only be a buildings or structures as opposed to other types of historic heritage. MPDC consider that this approach is contrary to Part 2 of the RMA and the consideration of Matters of National Importance and could have adverse effects on the historic heritage resource. We also consider that it is important iwi and hapū are provided opportunity to participate in the process for proposals to delist heritage buildings and structures and identify cultural impacts. Information available on the MfE website indicates the preferred approach of officials to the consideration of managing the tensions between historic heritage building and structures and the desire for growth was to develop national guidance for historic heritage. MPDC considers that the proposed clauses should be deleted and national direction on historic heritage should be developed, prior to any further consideration regarding the descheduling of historic heritage items.

[1] 11-Sep-24 Regulatory Impact Statement: Resource Management Amendment Bill No.2 – Better managing outcomes for historic heritage Ministry for the Environment Ministry for Culture and Heritage Ministry of Housing and Urban Development

		Recommendation That the proposed amendment is deleted and consideration is given to the development of a national policy statement for heritage. If considered appropriate for inclusion, a national policy statement could give a national context to the consideration of instances (when, how and what type) where the removal of heritage buildings may be appropriate. This matter could then be considered as part of the next phase of RMA reform.
1st amendment to s25A New s25A(3) Minister may direct change of Plan, change, or variation.	cl 6	Description The Bill proposes new s25A(3), which provides that if a national policy statement requires a local authority to prepare a document, other than a plan or policy statement, the Minister may direct a local authority to prepare or amend the document to meet the requirements of the national policy statement. The direction must include a reasonable timeframe in which the document must be prepared or amended. Comment The proposal expands the existing powers of the minister being able to direct not only the preparation of a plan or policy, but now the preparation of a document as required by a national policy statement. As the provisions are similar to the existing provisions relating to the preparation of a plan or policy MPDC sees no issue with this. Description That the proposal is retained as notified.
2nd amendment to s25A New s25A(4) Minister may direct change of Plan, change, or variation.	cl 7	Description The Bill proposes new s25A (4), which enables the Minister to direct a local authority to prepare and make a plan change or variation to address any non-compliance with a national policy statement; and use a planning process under the principal Act specified by the Minister for that purpose, with notification of the variation or plan change to be achieved in a reasonable timeframe. Comment The proposal expands the existing powers of the minister to direct the development of a plan change or variation and notify it to address any non-compliance with a national policy statement. MPDC is concerned with the proposal of Ministerial direction to a local authority to amend a document, as the Minister appears to be afforded an unfettered discretion in deciding whether the requirements of a national policy statement have been met. The Minister will not have accurate local data, local insights or detailed understanding of resource management issues and application locally. Such a power has the potential to undermine a council's strategic planning and may have perverse and unintended consequences, for example negatively impacting on a council's financial planning through application of a particular directive. MPDC would seek that a consultation process is undertaken to mutually understand the nature of any non-compliance before the Minister issues such a directive. Recommendation That s25A(4) is amended as follows; *4) The Minister –* *(a) may, after consultation with a local authority, direct ~~a~~ that local authority to* *(i) prepare a plan change or variation to address any non-compliance with national direction; and* *(ii) use a planning process under this act to prepare the change or variation; and* *(b) must specific in the direction a reasonable period within in which the plan change or variation must be notified*

Emergency and Natural Hazards		
Amend s86B When rules in proposed plans have immediate legal effect.	cl 25(1)	Description An amendment is proposed to s86B that contains the matters that have immediate legal effect upon notification. It is proposed that natural hazards provisions would now be included in the matters that immediate legal effect. Comment The MPDC DP already gives regard to Natural Hazards. MPDC welcomes this proposal as it will enable an improved responsiveness when addressing natural hazard issues via any new District Plan changes that are developed as an outcome of natural hazard research that the Council may undertake. Once new rules are notified this proposal will allow the immediate consideration and application of those rules when processing resource consent applications for land use and development. Recommendation MPDC supports the proposed amendment to s86B and seeks that it is retained.
New s106A Consent authority may refuse land use consent in certain circumstances.	cl 37	Description The proposed new s106A, would allow a consent authority to refuse consent or grant it, subject to conditions, based on assessment of risk from natural hazards. An application will require assessment if the consent authority considers that an activity will create a significant risk from natural hazards when there was none previously, or increase an existing risk from natural hazard to a significant risk, or increase an existing significant risk from natural hazard. An assessment will require a consideration of the likelihood of natural hazards occurring, either in combination or individually, the material damage that would occur from land or structures as a result of the natural hazards occurring, whether the proposed use would accelerate, worsen or result in material damage to the land, and whether the proposed use would result in adverse effects on the safety and health safety of people. Conditions imposed under the section must be for the avoidance or mitigation of the significant risks from any hazards, and be of a type that can be imposed under s108 (Conditions of Resource consents). Comment The proposed new section contains an undefined term "*material damage*" and there would be benefit in providing a definition of this term to aid the understanding and application of this new section. The proposed new section contains an undefined term "*significant risk*" and there would be benefit in providing a definition of this term to aid the understanding and application of this new section. MPDC supports the inclusion of land use consents in s106 providing for councils to refuse consent in significant hazard scenarios. The MPDC DP already assesses hazards through a series of site suitability provisions and this will make it easier to decline a consent, when an activity is likely to generate or be subject to significant adverse effects from natural hazards. MPDC would like to comment on some components of the amendment including the undefined term "*material damage."* In the proposed new section there is a focus to the '*material damage'* of land in respect of which the consent is sought, when MPDC would prefer it to have a much broader consideration including the consequences on people, property and the environment (of which land is a part of). There could also be benefit in changing the proposed use of the term '*material*

		damage' to "*consequences*" (this is more consistent with best practice risk methodologies); and include within the consequences '*on people, property, critical infrastructure and the environment'*. Making an assessment of the significance of an issue requires judgements to be made, and such judgements inevitably involve an element of subjectivity. With a large number of local authorities in the Waikato region, there could be varying interpretations and applications of what constitutes "*significant*" This variability can lead to inconsistencies in decision-making and policy implementation across the region. Consistent and effective decision-making and policy implementation across all local authorities is needed to ensure a coordinated and resilient response to natural hazards. A definition of significant risk would ensure consistent administration of these new provisions. MPDC presumes that it will continue its practice of asking applicants to develop "their case" in terms of assessing their proposed activity against any new hazard requirements as this new section does not provide particular guidance on this matter and believe that there would be considerable benefit in the development of a single piece of national direction for natural hazards /adaption planning for both Councils and applicants developing their applications. This must be developed to guide implementation and ensure consistency of application across region and across the country. <u>Recommendations</u> • Change the term "*material damage*" to "*consequences*" and include within the consequences "*on people, property, critical infrastructure and the environment*", and provide a definition of the term, and • Provide a definition of "*significant risk*" • Subject to any other amendments and prior to these clauses becoming operative, that a single piece of national direction for natural hazards/adaption planning is developed to guide implementation and ensure consistency of application.
New proposal from MPDC Request for National Direction on Hazards.		<u>Description</u> The way natural hazards are addressed sees multiple methods being used across local authority boundaries, which creates cumulative increases in risk over time. The new proposed provisions require additional complex assessments to occur without the benefit of national guidance on this important matter. <u>Comments</u> MPDC recommends a single piece of national direction for natural hazards should be developed. This would comprehensively addresses the whole spectrum of natural hazard risks, provide definitions for different risk levels e.g. tolerable risks (…an actual or a potential cause of a substantial and demonstrable serious adverse impact such as risk to life, or notifiable injury or illness due to prolonged exposure…), include a national standardised methodology that sets the basis for assessing risk and provides high levels of certainty for local authorities, businesses, property owners and communities. This would assist in the implementation of the proposed new provisions that are part of this Bill, in particular new s106A. <u>Recommendation</u> That a national policy statement (national direction) is developed for natural hazards to assist and guide the implementation of the new provisions of this Bill related to hazards, prior to the royal assent of this Bill.

New s331AA Emergency response regulations.	cl 64	Description The Bill inserts new s331AA to empower the making of emergency response regulations to respond to natural hazard events and enable recovery efforts in the affected area. The section sets out the criteria, process, and parameters for those regulations and the matters, including providing the material to other parties for their consideration and comment that the minister, must consider before making a recommendation, prior to the provisions being enacted. Comment MPDC is supportive of the recognition of the need to expedite decision making, while at the same time trying to involve as many parties as possible. MPDC supports the Waikato CDEM groups submission that seeks to amend 2(f) with the addition of the wording "and relevant Civil Defence Emergency Management Groups" as parties to be consulted. While it is noted that relevant Māori entities are also invited at section 2(f) to submit written comment, the emergency regulation-making powers have the potential to bypass tikanga and undermine long-term cultural and environmental sustainability, particularly if written comment cannot be provided in the specified timeframe. We recommend consideration of how tikanga-based principles can be incorporated into emergency planning, to ensure alignment with sustainable and collective values. We envisage that this would be a more substantive process, than the five day review process outlined in the provisions could provide and would commence in a general sense now. MPDC considers that there would be benefit in amending the time frames in which the comments referred to in subsection (2) (h) or written comments provided in response to an invitation from the Minister under subsection (2) (f) or (3) must be provided within 5 working days of the draft being provided to the committee or to the invitation being received, respectively, unless the Minister extends that period. The proposed time frame may hinder the ability of those who will be implementing regulations to contribute effectively to their development. Those involved in response and recovery activities, who are already working at full capacity, may struggle to participate meaningfully in the regulatory process. This can impact their ability to ensure the wellbeing of their communities, hapū, and marae. Recommendation • MPDC supports that Waikato CDEM group submission on the matters in clause 64, including recommending the inclusion of relevant Civil Defence Emergency Management Groups" as parties to be consulted, and that the timeframes referred to in Subsections (2) (h) and (2) (f) or 3 are amended from 5 working days to 10 working days. • MPDC also recommends that proposed new s331AA is amended to consider how tikanga-based principles can be incorporated into emergency planning.
Resource management system improvements		
Amend s87A Classes of activities.	cl 27	Description The Bill proposes amended s87A will provide for the declining of a controlled activity if s106A applies. (New s106A - Consent authority may refuse land use consent in certain circumstances.) Comment This amendment will result in the consent authority not being required to grant consent for a controlled activity if s106A applies. S106A would enable a consent to be refused for natural hazard related matters. MPDC supports this proposal as it provides consistency through the Act and makes it explicit that a controlled activity, which is usually granted consent, can be refused. This aligns with the 'Reduction' aspect of the 4Rs of the CDEM Act, which emphasizes minimising the likelihood and consequences of disasters and taking steps to eliminate risks to human life and property. Recommendation

		That the amendment is retained as notified.
Amend s88 Making an application.	cl 28	Description The Bill proposes that an additional clause inserted into s88, seeking that information to be provided for an application is proportionate to the scale of the proposed activity. Comment Proposed new s88 (2AA) requires information to be provided at a level of detail that is "*proportionate to the...significance of the activity*." We consider it is unclear what "*significance of the activity*" means in this context. This could be interpreted as synonymous with the "importance" of the activity, which we assume is not intended. We assume that the "proportionality" test intended here is in relation to nature and scale of the activity, along with its actual and potential adverse effects. We also note that the intent and wording of proposed new sub-sections (2AA) and (2AB) is very similar to (but not the same as) Schedule 4.2(3) (c). This requires that an assessment of environmental effects "*includes such detail as corresponds with the scale and significance of the effects that the activity may have on the environment*." We consider that it would be appropriate to align the wording of sub-sections (2AA) and (2AB) with Schedule 4.2(3) (c). Recommendation Amend proposed s88(2AA) and (2AB) as follows: "(2AA) *An applicant must ensure that the information required by subsection (2) (b) is provided at a level of detail that ~~is proportionate to~~ corresponds with the nature, scale and significance of the activity, including the effects that the activity may have on the environment.* (2AB) *A consent authority may accept an application that does not fully comply with subsection (2) (b) if the authority is satisfied that the information provided by the applicant ~~is proportionate to~~ corresponds with the nature, scale and significance of the activity, including the effects that the activity may have on the environment.*"
Amend s92 Further information, or agreement, may be request.	cl 30	Description The Bill proposes that s92 is amended to provide criteria that a consent authority must consider before requesting further information, which includes if the information is needed for decision making, or if it can assess the proposal from information currently available, and any information that it seeks is proportionate to the nature and scale of the proposal. Comment The reference in proposed sub-section (2B)(c) to the "*nature and significance of the proposal*" omits to include any direct reference to effects, which are arguably the most important factor in determining the need for further information, and for determining what is appropriate information to request. We seek that the clause be amended to reflect this and that "*proportionate to…the proposal*" is replaced with "*corresponds with... the activity*" for consistency with Schedule 4.2(3(c) and the relief sought for amendment of section 88. Recommendation Amend proposed s92(2B)(c) as follows: "*Any information that it seeks ~~is proportionate to~~ corresponds with the nature and significance of the ~~proposal~~ activity, including the effects the activity may have on the environment."*
Amend s92A	cl 31	Description

Responses to request.		The Bill proposes to amend s92A(3) that relates to the consideration of a consent application when an applicant has not responded to a request for further information, agrees to provide the information but does not, or refuses to provide the information under subsection (1)(c). The proposal is to amend the statement the consent authority "*must*" consider the application, to the consent authority "*may*" consider the application. Comment MPDC is supportive of this proposed amendment and believes it will assist to improve the efficiency and effectiveness of consent authorities. Currently a significant amount of time is consumed with consent applicants who choose not to provided information requested, or do not provide the information requested in a timely manner. MPDC would also like to suggest in the interests of increased efficiency that this clause can be applied retrospectively from the time of royal assent. This would enable further gains in efficiency to be achieved by being able to apply this provision to the existing backlog of applications where applicants have not responded to a request for further information, agreed to provide the information but have not, or refused to provide the information. It is anticipated that further consequential changes may be required to the Bill, to guide applicants in responding to such a request. MPDC also considers that the proposed provision would also require amendments to other parts of the RMA, notably s95C-Public notification of consent application after request for further information or report. Clauses (2) and (3) which currently require, when an applicant does not respond before the deadline or refuses to provide/agree to the commissioning of the report, that the consent authority must publicly notify the application. MPDC suggests for consistency of approach that 95C (2) (a) and (3) (a) are revised reflecting that such applications will potentially cease to be processed. Recommendation • That the proposed changes to s92A are retained as notified, and • for consistency that changes are made to s95C (2) (a) and (3) (a) to reflect that some applications will potentially not be processed in some instances, and • S92A is further amended to allow these changes to be applied retrospectively upon royal assent, with any consequential changes as required.
New s92AA Consequences of applicant's failure to respond to requests, etc.	cl 32	Description This new section outlines the process a consent authority may follow when considering that an application is determined to be incomplete. Comment MPDC supports the inclusion of this new section as it clearly outlines the steps and timeframes that must be followed when determining that a resource consent application is incomplete. It is also helpful that the new section covers the fact that if the application is lodged again it is considered to be a new application, rather than the lodgement of the further information. MPDC considers that this new process will encourage parties to be prompt when responding to further information requests. Recommendation MPDC support the proposed new section and seeks that it is retained as notified.
Amend s92B		Description

Responses to notification		The Bill proposed to amend s92B that relates to the consideration of a consent application under s104 when an applicant has not provided further information or commissioned a report when requested. (notified) The proposal is to amend the statement that the consent authority "*must*" consider the application, to the consent authority "*may*" consider the application. Comment MPDC is supportive of this proposed amendment and believes it will assist to improve the efficiency and effectiveness of consent authorities. Currently a significant amount of staff and managerial time is consumed with consent applicants who choose not to provided information requested, or do not provide the information requested in a timely manner. MPDC would also like to suggest in the interests of increased efficiency that this clause is included into the provisions (s86B) that become immediately effective upon notification. This would enable the gains in efficiency to be achieved as soon as possible. Recommendation That amended s92B is retained as notified, and That s86B (When rules in proposed plans have immediate legal effect) is further amended to include that consent authorities "*may*", rather than "*must*" consider an application where under s104 when an applicant has not provided further information or commissioned a report when requested.
Existing s100 Obligation to hold a hearing. replaced with New s100 Consent authority must not hold hearing unless it determines further information needed.	cl 34	Description Existing s100 (Obligation to hold a hearing) is proposed to be replaced with a new s100 where a consent authority must not hold a hearing unless it determines further information is needed to make a decision. Comment While MPDC considers that this change could increase the efficiency of hearing processes, particularly when submissions are not on a substantive issue or not backed up with any technical/expert reports, there is also a concern that this proposal could significantly reduce the opportunities for submitters and applicants to participate in decision-making and may have the unintended consequence of increasing appeals and objections. Recommendation MPDC seek that the provision is removed.
New s103BA Requirement to provide report or other evidence if hearing not held.	cl 35	Description It is proposed that in the event that a hearing is not held that the following information is provided to the applicant and any submitters; a copy of any report written under s92 (further information or agreement may be requested), and briefs of any other evidence, and any report commissioned under s92 (2). Comment As MPDC does not support the proposal to further limit the occasions in which a hearing can be held, there is no reason for this new section. Recommendation

		That this proposed provision is removed.
Amend s104 Consideration of applications.	cl 36	Description It is proposed that a consent authority, when considering an application under s104, may consider an applicant's previous non-compliance under RMA if there has been previous or current abatement notices, enforcement notices, infringement notices, or convictions under the RMA, and can decline an application if the applicant has a record of ongoing, significant or repeated non-compliance, or has been the subject of an enforcement order or a conviction under the Act. Comment MPDC sees benefit in this approach, given that an applicant's previous non-compliance could signal a possibility of new non-compliances resulting in adverse environmental effects. MPDC considers there would be benefit in the clause being amended to be consistent with the existing language of Act, to use the term, "*give regard"* to any previous abatement notices etc., rather than *"take account of"* etc. Recommendation That the proposal is retained subject to the following amendment; Replacing the words "~~*take account of*~~" with "*have regard to*" in proposed s104(2EA)
New s107G Review of draft conditions of consent.	cl 38	Description This proposed amendment provides for an applicant to request a copy of the draft conditions prior to decision making. These can be made available to either an applicant or submitters and revised conditions can only reflect technical or minor matters. Comment The practice of making draft consent conditions available for review is well established at MPDC. MPDC welcomes the inclusion of this process as part of the proposed amendments, to ensure the continuation of this helpful practice. Recommendation That the proposal is retained as notified.
Amend s108 Conditions of resource consents.	cl 39	Description This proposed amendment provides for instances were conditions may mitigate risk of non-compliance by an applicant who may have a history of previous non-compliances etc. Comment MPDC considers that as robust conditions can be developed to mitigate possible non-compliances that there would be benefit in this approach becoming part of the RMA. These sorts of conditions could include submitting a compliance monitoring plan, training with regard to compliance for staff on site and with training records maintained and made available to the consent authority on request and so on. Recommendation That the proposal is retained as notified.
Amend s128 Circumstances when consent	cl 45	Description It is proposed to amend s128 with the inclusion of a new reason why a consent authority may choose to review the conditions of consent, with the existing reasons being related to the creation of adverse effects. The proposed addition would allow the conditions to be reviewed if the consent authority deems that the consent holder has contravened a condition of consent.

conditions can be reviewed.		Comment MPDC considers that this is a useful addition to the RMA toolbox as this would allow the consent conditions to be reviewed in many instances, such as provision of reports, the undertaking of works and so on. Recommendation That the proposal is retained as notified.
Monitoring and Compliance		
Amend s36 Local authorities may fix administrative charges for monitoring and enforcement.	cl 10	Description An amendment is proposed to s36, which extends administrative charges for monitoring and enforcement by the local authority. Comment The proposed amendment will further recognise the ability for local authorities to consider enforcing charges regarding monitoring works for permitted activities and fees for instances where a person has contravened the Act. This could be advantageous for local authorities as it formally acknowledges additional administrative services that is a part of the wider monitoring and enforcement process. Recommendation MPDC supports the proposed amendment to s36 and seeks that it is retained.
Amend s38 Updated reference to MPI and Minister of Conservation's power to authorise officers removed.	cl 12	Description An amendment is proposed to s38 to update the authorisation and responsibilities by enforcement officers through adding references to the Ministry of Primary Industries. Comment This amendment makes it clear that officers from Ministry of Primary Industries can also be appointed to carry out functions of power as an enforcement officer under the Act. Recommendation MPDC supports the proposed amendment to s38 and seeks that it is retained.
Amend s314A Local authority or EPA may apply to Court to revoke or suspend consent due to ongoing, significant, or repeated non-compliance.	cl 59	Description An amendment is proposed to s314A to allow the Environment Court to revoke or suspend a resource consent for ongoing non-compliance with the Act. Comment MPDC are supportive of this amendment, as it will result in increased consequences for consent holders that are repeatedly not complying with their consent. It will also send a strong signal that non-compliance under the Act is unacceptable. MPDC is mindful in order to demonstrate the consent holder has a history of repeated non-compliance with their consent, Council would need to store and provide detailed documentation of instances where the applicant has breached past/present consents. Recommendation

		MPDC supports the proposed amendment to s314A and seeks that it is retained.
Amend s322 Scope of abatement notice made more consistent with enforcement order.	cl 60	Description An amendment is proposed to s322 to increase consistency with the scope of enforcement orders under s314. Comment Provides greater clarity on the scope of the abatement notice by clearly outlining the notice may require a person to do something that ensures compliance with the Act, a national environmental standard, a regulation, a rule in a plan or a proposed plan, or a resource consent. Recommendation MPDC supports the proposed amendment to s322 and seeks that it is retained.
Amend s327 Period of excessive noise directions extended from 72 hours to 8 days.	cl 61	Description An amendment is proposed to s327 to extend the period of time that excessive noise directions are in place for. Comment MPDC considers the current duration for excessive noise directions is short and does not serve to effectively deter the offender from repeating the same offence after the 72 hours are over. By extending the period to 8 days, this will help local authorities to better manage repeated noise events and increase opportunities to serve an infringement notice where Council considers applicable. Recommendation MPDC supports the proposed amendment to s327 and seeks that it is retained.
Amend s330 Notifying absent occupier of place where preventative or remedial action required.	cl 62	Description An amendment is proposed to s330 which relates to emergency works and the power to take preventive or remedial action. The amendment provides that a local authority or consent authority that enters a place to take immediate preventive or remedial measures, but cannot find the occupier there, may leave a notice displayed on the land with details of the entry, then serve a similar written notice on the ratepayer to provide further options in circumstances where local authority have entered a place to take immediate/preventative or remedial action but the occupier is not present. Comment This provides further guidance on the procedure to follow when the occupier of place is not found and remedial/preventative action is required. The amendment also clarifies that service of the written notice should address responsibility on the ratepayer rather than the occupier. Recommendation MPDC supports the proposed amendment to s330 and seeks that it is retained.
Amendment to s330A 30 days to seek consent for activity undertaken in emergency.	cl 63	Description An amendment is proposed to s330A to extend the period an applicant is required to seek resource consent for emergency works from 20 to 30 days if there are persistent adverse effects from the activity being undertaken. Comment

		MPDC has not encountered many situations that have required consent for an activity undertaken in emergency where persistent adverse effects are evident. However, the proposed extension of 10 days may be useful to local authority as the applicant will be given a longer period of time to prepare a robust resource consent application. There is some concern that there is no guidance regarding when the applicant should advise the relevant local authority of the activity that is being undertaken within the 7-day timeframe. The proposed wording suggests that the applicant can choose to notify the local authority at the start of the activity or at a later stage while the activity is still underway. Ideally, Council would benefit from being aware of the activity at the start of works to manage any internal concerns or public enquires. Recommendation MPDC supports the Waikato CDEM group submission on this matter, while also making the following recommendation to amend part of s330A(1) to the following: "(1) *Where an activity is undertaken under s330, the person (other than the occupier), authority, network utility operator, or lifeline utility who or which undertook the activity shall advise the appropriate consent authority, within 7 days of the start of the activity, that the activity has been undertaken."*
Amendment to s339 Penalty for specified offences increased.	cl 65	Description An amendment is proposed to s339, which seeks to significantly increase the penalty for specific offences and reducing the maximum term of imprisonment from 2 years to 18 months. Comment Increasing penalty of offences will signal that there are meaningful punishments in place where instances of non-compliance are found. Current fees may be considered low for corporate entities and do not serve to deter corporations from undertaking unlawful activities relating to resource consents, especially when these types of activities generate a substantial commercial gain. Recommendation MPDC supports the proposed amendment to s339 and seeks that it is retained
Amendment to s342A Contracts of insurance against fines or infringement fees under RMA prohibited	cl 66	Description An amendment is proposed to s342A to introduce a new section that prohibits unlawful contracts of insurance against fines or infringement fees under the Act. Comment Currently, there is no legislation that explicitly prohibits certain contracts of insurance against fines under the RMA. This amendment would be advantageous to ensure that offenders cannot avoid prosecution costs for RMA offences by purchasing insurance. It will ensure that offenders are held accountable to their obligations under the RMA. Recommendation MPDC supports the proposed amendment to s342A and seeks that it is retained.
Amendment to s352	cl 67	Description An amendment is proposed to section s352, which will update methods of service of documents under the Act. Comment

Methods of service of documents updated		MPDC oppose this clause as it is unclear what problem it is seeking to fix. The proposed replacement section removes the ability of persons to specify an address for service to which documents must be sent and have confidence that they will be sent there. For the sender, sending documents to the place specified by the intended recipient, would become optional. Instead, the proposed amendment substitutes a menu of options for service, all/any of which comply. While this would certainly make it easier for bodies who are required to serve notice, it is likely to be less effective in ensuring that the person actually receives the document (and is certainly less customer friendly). This also runs counter to trends in proceedings where increasingly, the Court has found that it is not sufficient that compliance with s352 be demonstrated, rather the Court has required that receipt/knowledge of the document is the relevant test. The proposed amendment runs counter to the advancement of this practical problem. Recommendation That clause 67 is deleted.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Report to the District Council on the audit of

Matamata-Piako District Council

For the year ended 30 June 2024

The Contents

Key messages

We have completed the audit for the year ended 30 June 2024. This report sets out our findings from the final audit and draws attention to areas where the District Council is doing well and where we have made recommendations for improvement. This report should be read together with the Interim Report to the Council, dated 3 September 2024.

Audit opinion

We have issued an unmodified audit opinion dated 27 November 2024. This means that we were satisfied that the financial statements and statement of service performance present fairly the District Council's activity for the year and its financial position at the end of the year.

Matters identified during the audit

Our audit plan outlined the key matters identified for the audit. We have detailed the work performed for these matters in section 3 of the report.

Overall, the quality of the annual report improved compared to prior year. Some corrections were made to both the financial statements and performance reporting as noted in Appendix 2.

The quality of supporting listings and evidence in relation to property, plant and equipment needs significant improvement. We recommend that management implements quality control processes to ensure that listing provided to audit reconcile to the financial statements and relevant supporting information is available in a timely manner. Management should also tighten the procedures and controls around asset capitalisations to ensure that assets are correctly classified for inclusion in the financial statements.

The District Council has made progress in implementing or closing previous recommendations raised. However, a number of previous recommendations remain open. We encourage the District Council to continue addressing the remaining open recommendations. Appendix 1 provides a summary of these.

Thank you

We would like to thank the Council, management, and staff for the assistance received during the audit.

Rene van Zyl
Appointed Auditor
18 February 2025

1 Recommendations

Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommended improvements.

Priority	Explanation
Urgent	**Needs to be addressed *urgently*** These recommendations relate to a significant deficiency that exposes the District Council to significant risk or for any other reason need to be addressed without delay.
Necessary	**Address at the earliest reasonable opportunity, *generally within six months*** These recommendations relate to deficiencies that need to be addressed to meet expected standards of best practice. These include any control weakness that could undermine the system of internal control.
Beneficial	**Address, *generally within six to 12 months*** These recommendations relate to areas where the District Council is falling short of best practice. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.

1.1 New recommendations

The following table summarises our recommendations and their priority.

Recommendation	Reference	Priority
Timely capitalisations - PPE Management should tighten the procedures and controls around asset capitalisations to ensure that assets are correctly classified for inclusion in the financial statements.	4.1.1	Urgent
Quality and timeliness of information – PPE The quality of supporting listings and evidence in relation to property, plant and equipment needs significant improvement. We recommend that management implements quality control processes to ensure that listings provided to audit reconcile to the financial statements and relevant supporting information is available in a timely manner.	2.4	Urgent

Recommendation	Reference	Priority
Depreciation not correctly backdated Management should investigate the reasons why the system is not calculating depreciation correctly using the install date (date when asset was actually completed) rather than the found date (when asset was capitalised) and take appropriate action.	4.1.2	Necessary
Internal charges for NZTA claim We recommend the District Council reviews its processes for recording labour time for internal charges for workorders (which form part of the NZTA claim) to ensure that the labour time is captured in a timely manner for labour charges to be included as part of the NZTA claims.	4.1.3	Necessary
Useful lives disclosed for accounting policy The Council should review the accounting policy for useful lives included in the financial statements and ensures that it is consistent with the useful lives adopted.	4.1.4	Necessary
Register of pecuniary interest All interests should be declared by elected members to ensure that the District Council complies with the Local Government Act pecuniary interests' requirements.	5.1	Necessary

1.2 Status of previous recommendations

Set out below is a summary of the action taken against previous recommendations. Appendix 1 sets out the status of previous recommendations in detail.

Priority	Priority			
	Urgent	Necessary	Beneficial	Total
Open matters from 2023 report	1	10	1	**12**
Open matters from 2024 interim report	-	4	2	**6**
Implemented or closed during 2024 final audit	1	3	1	**5**
Total matters considered	**2**	**17**	**4**	**23**

2 Our audit report

2.1 We issued an unmodified audit report

We issued an unmodified audit opinion on 27 November 2024. This means we were satisfied that the financial statements and statement of service performance present fairly the District Council's activity for the year and its financial position at the end of the year.

In forming our audit opinion, we considered the following matters. Refer to sections 3 and 4 for further detail on these matters.

2.2 Uncorrected misstatements

During the audit, we have discussed with management any misstatements and disclosure deficiencies that we found, other than those which were clearly trivial. The misstatements that have not been corrected are listed in Appendix 2 along with management's reasons for not adjusting these misstatements. We are satisfied that these misstatements are individually and collectively immaterial.

2.3 Corrected misstatements

We also identified misstatements that were corrected by management. The corrected misstatements are listed in Appendix 3.

2.4 Quality and timeliness of information provided for audit

Management needs to provide information for audit relating to the annual report of the District Council. This includes the draft annual report with supporting working papers. We provided a listing of information we required on AuditDashboard to management in August 2024. This included the dates we required the information to be provided to us.

Overall the quality of the annual report improved compared to prior year. Some corrections were made to both the financial statements and performance reporting as noted in Appendix 3 resulting in the review of several versions of the annual report.

In general information was provided as agreed with delays experienced in receiving information requested in relation to property, plant and equipment as well as bank reconciliations.

In relation to bank reconciliations management provided a listing of all unreconciled items and additional audit work was performed to verify these unreconciled items and assess the impact on the financial statements. Unmatched items should be processed in a timely manner to ensure that at year end they are classified appropriately in the financial statements and relate to the correct financial year. Currently this is a manual process completed by staff. We have made recommendations in our interim Report to the Council for improvements needed.

The quality of supporting listings and evidence in relation to property, plant and equipment needs significant improvement. We recommend that management implements quality control processes to ensure that listings provided to audit reconcile to the financial statements and relevant supporting information is available in a timely manner. This impacted the extent of audit work required as well as requiring adjustments to the financial statements and other disclosures as these numbers impact various sections of the annual report.

Management comments

Bank reconciliations

The bank reconciliation module in our Authority software is excellent in terms of generating an automated daily bank reconciliation that give us assurance that all transactions in the bank account and cashbook are captured. Beyond that, the module provides insufficient transaction information to enable a smooth matching of items between the bank account and the cashbook. The system is also incapable of producing an automated reconciliation at a specified date, which therefore requires staff to manually produce the year end bank reconciliation.

These issues have been raised with our software provider Civica on an individual basis, and in conjunction with other local authority users. Since Audit NZ's Interim Report, staff have met with other users and the module expert from Civica and have gained assurance that we are utilising the module to its current potential. As a result of the combined user issues raised, Civica have provided some enhancements in recent patches, however we have not found them to provide any benefit for the process of matching transactions. The module expert from Civica also noted that they have spent considerable time trying to develop an automated retrospective trial balance, but have found the process to be overly complex, and we were not given a strong indication that this enhancement would be forthcoming.

As such, staff have recently spent significant time developing and testing their own tool outside of the Authority system that we have found to be significantly beneficial in the process of matching transactions. We expect that this will greatly improve the timeliness of the matching, although noting that there are always transactions that take longer to resolve as they may require further investigation. Staff are also trialling processes to help make the manual bank reconciliation process at year end more efficient.

Property, plant and equipment

There are many staff involved in the administration and development of the supporting information for property, plant and equipment. Going forward, we will assign responsibility to an individual to coordinate and ensure that the information provided to the Audit team reconciles to the financial statements and is provided in a timely manner.

3 Matters raised in the Audit Plan

In our Audit Plan of the District Council, we identified the following matters as the main audit risks and issues:

Audit risk/issue	Outcome
The risk of management override of internal controls (significant risk)	
There is an inherent risk in every organisation of fraud resulting from management override of internal controls. Management are in a unique position to perpetrate fraud because of their ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to treat this as a risk on every audit.	In response to this risk, we performed testing over journals, accounting estimates and looked for significant transactions that were outside the normal course of business. Based on the results of our testing, we found no indications of management override of controls that would result in a material misstatement, in the financial statements, due to fraud.
Fair value assessment of property, plant and equipment (non -revaluation year) (area of audit focus)	
We understand that the Council is not planning to undertake revaluations for the 2024 financial year. For those assets that the Council is not planning to revalue, the Council should perform a fair value movement assessment (assessment) to determine whether there is a significant difference between the fair value and the carrying value. Where the estimated difference is significant a revaluation may be necessary. Council's assessment should: • factor in local cost information; • utilise relevant and reliable price movement indicators; and • involve consulting with valuers, if necessary. Alternatively, Council could engage valuers to assist in preparing a fair value assessment.	We reviewed the fair value assessment performed by the District Council for Three Waters assets, roading assets, land and building assets. The audit team's review confirmed the assumptions used and the resulting calculation did not indicate a material difference between the District Council's current carrying value and their approximate fair value.

Audit risk/issue	Outcome
Completeness of data for performance measures (CRM related performance measures) (area of audit focus)	
During the prior year audit, Council was unable to extract complete reports for CRM data covering the previous financial year. Not being able to reproduce the data creates a risk to Council in terms of errors or incomplete reporting. It also creates audit risk as we need to gain support around the accuracy and completeness of the reported results. We understand that Council is extracting the data monthly for the 2024 financial year and saving the data in PDF format to ensure there are no manipulation of data.	CRM is the data system that the District Council uses to process their customer complaints and requests. This system also is used for year-end reporting purposes to determine the reported results in relation to the "*number of dry weather sewerage overflows from Council's sewerage system*". We performed alternative audit work to determine the completeness of data for measures we performed work over. We concluded that no data was omitted, and that the data used for reporting purposes was complete. We are satisfied that the performance result is fairly stated and complete.
"Local Water Done Well" programme (area of audit focus)	
In February 2024, the Government passed legislation that repealed the affordable waters reform legislation passed into law by the previous Government. The Government intends implementing its "Local Water Done Well" programme through the passing of two further bills through Parliament. The first bill will set out provisions relating to Council service delivery plans and transitional economic regulation. It will also provide for streamlining the establishment of Council controlled organisations to deliver water should Councils desire to do so. A second bill will set out provisions relating to long-term requirements for financial sustainability, provide for a complete economic regulation regime, and a new range of structural and financing tools, including a new type of financially independent Council-controlled organisation.	We reviewed the District Council's disclosure included in the annual report regarding the Local Water Done Well programme and are satisfied that the disclosure is reasonable.