

## **Report 99.391**

19 October 2000

File: CMM 6/1/7

[Report 1999.Env99391.RGF.mm]

Report to the Environment Committee  
from Rob Forlong, Manager, Consents Management

### **Audit of Resource Consent Conditions**

#### **1. Purpose**

To present to the Committee an independent report examining the level of risk that we allow in our resource consent conditions.

#### **2. Background**

Critics of the Resource Management Act 1991 have often accused Councils of favouring the environment at the expense of development and imposing too arduous conditions on resource consents, resulting in unnecessary costs. The suggestion has been made that we are too risk averse and conservative. Rather than take a chance we impose conditions that cover every eventuality.

In order to address this issue, we recently commissioned PricewaterhouseCoopers' (PWC) – Global Risk Management team - to assess our resource consent conditions and advise us whether the level of risk inherent in them is appropriate.

The objective of the study was:

*To identify whether resource consent conditions imposed by WRC consent management attain a reasonable balance between requirements imposed on applicants and the risk that an application will breach applicable statutes and/or “community standards” for sustainable management of environmental resources.*

PWC selected a random sample of 65 resource consents (notified (10), non-notified (55)) from both the Wellington and Wairarapa offices.

They initially familiarised themselves with the application and the conditions by perusing the file. They then discussed the conditions with the officer who had processed the application. Finally, they graded each consent as follows:

- Conditions imposed seem appropriate;
- Conditions imposed seem excessive; or
- Conditions imposed seem insufficient.

They also considered whether any trends emerged with condition setting in respect of the officer making the decision, the office where the consent was processed, the nature/type of consent and the type of applicant.

A copy of the PWC report is enclosed separately.

### 3. Findings

Of the 65 consents assessed, 63 (97%) were categorised as having *appropriate* consent conditions. In other words, we are not being too risk averse and do not impose too onerous consent conditions. Furthermore, the two remaining consents fell into the category of *conditions imposed seem insufficient*. The conditions were not enough to mitigate the identified risks to the environment; we had been too lenient on the applicant!

Pleasingly, PWC also stated that they were “uniformly impressed with the professional approach of each of the Consents Management staff we dealt with”.

Six areas were found where we could improve our performance. All were minor matters and most related to small inconsistencies between the Wellington and Wairarapa offices eg signing of resource consents. These will be addressed forthwith.

### 4. Comment

These findings are at odds with the popular perception of the way that local government administers the Act. For example, our 1997 customer satisfaction survey identified that many consultants felt that our conditions were excessive and caused increased costs for the applicants. It is interesting that respected independent professionals, when taking a closer look at what goes on, have concluded that excessive conditions are **not** one of our problems.

Ironically, the proposed amendments to the Act are specifically designed to address lack of performance and professionalism by local government. Given the findings of this report and the timeliness of our consent processing (see Consents Management Department Report - no late consents), one can question the credibility of the critics.

### 5. Communications

The findings directly contradict the “common wisdom” that councils impose excessive consent conditions. Consequently, we shall be giving the report Members of Parliament, the Ministry for the Environment, the Ministry of Commerce, Local Government New Zealand, the Parliamentary Commissioner for the Environment, major consultants who are our regular customers and other local authorities.

We will make a general press release and hopefully these findings will enhance the debate over the proposed amendments to the Resource Management Act 1991.

**6. Recommendation**

*That the report be received and its contents noted.*

Report prepared by:

Approved for submission:

ROB FORLONG  
Manager, Consents Management

JANE BRADBURY  
Divisional Manager, Environment