



Resourcing RM3 through to 30 June 2026

Meeting date: 25 February 2025	Written date: 20 February 2025
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<p>What you are updating Te Pūrengi on</p> <p>Resourcing needs and options for delivering RM3 (Replacement of Resource Management Act Programme) including (Phase 1) committing \$4.4-4.8m to extending 15 fixed-term staff and recruiting 8-10 new fixed-term for up to 1 year and (Phase 2) reporting back on recruiting up to 40 additional fixed-term staff for up to 12 months, estimated at around \$7.6m.</p>	
<p>Reason for Te Pūrengi to consider</p> <p>Work on both Phase 2 RMA and Phase 3 RMA is proceeding at pace given Government commitments to deliver new national direction and introduce replacement legislation by the end of 2025. MfE has submitted a budget bid as part of B25 to cover this however is unlikely to hear the outcome of this until April 2025. There are immediate pressures with respect to capacity and decisions need to be taken now on extending fixed-term staff. There are implications for organisation of scale of resource commitment, funding mechanisms and risk management over the next 12 months.</p>	
<p>Has Te Pūrengi considered this item before?</p> <p>Te Pūrengi considered use of unallocated funding in August 2024 and allocated funding to 30 June 2025 for 3 fixed-term FTE in EMA, 1 project management FTE, supporting the Expert Advisory Group and related overhead.</p>	



Context

1. Following decisions taken by Minister Bishop (RMA Reform) and announcements by the Prime Minister, MfE are currently preparing a Cabinet paper setting out proposals for replacing the Resource Management Act 1991 (RMA) with two Acts. The expectation is for legislation to be introduced by the end of 2025, passed by mid-2026 and begin to be implemented by 2027. At the same time, work on Phase 2 National Direction (ND) will continue albeit with some consolidation and refinement.
2. The Cabinet paper will seek agreement to:
 - a) system architecture and key components of new legislation to replace the Resource Management Act 1991 (RMA)
 - b) the approach to engagement with local government, sector groups, iwi/Māori groups, and post-settlement governance entities (PSGEs)
 - c) timeframes and approach to legislative drafting
 - d) changes to the Phase 2 national direction programme to align with Phase 3 reform.
3. These decisions mean that the effort required on RMA Reform in 2025/26 and 2026/27 is at the higher end of scenarios and cannot be delivered within current RM resourcing given reductions in staffing on 1 July 2025 and 2026.
4. With replacement of the RMA underway we need to firm up additional resourcing. This is proposed to be undertaken in two phases. Rough estimates identify that the total needed could be in the vicinity of 50-60 people across the organisation.
5. In terms of funding for this:
 - a) previous discussions agreed with Minister Bishop that costs in 2024/25 would be met from within underspend – the proposal here involves only 15-25 FTEs
 - b) costs for 2025/26, involving up to a total of 50-60 FTE (including the 15-25 above) would in the first instance be met from an IPET and from B25 if the initiative is successful. If not, then further adjustments will be needed to the level of resource sought and through reprioritisation.
6. It was signalled in previous Budgets that resourcing, after withdrawal of B22 funding and limited new B24 funding, was not adequate to deliver all the Government's priorities and there was no funding in B24 for implementation. The B25 initiative is split between:
 - a) non-departmental \$^{9(2)(f)(iv)} for new institutions (\$^{9(2)(f)(iv)} a year)
 - b) fixed-term funding for 3 years of \$^{9(2)(f)(iv)} for implementation and \$^{9(2)(f)(iv)} for spatial planning
 - c) ongoing funding of \$^{9(2)(f)(iv)} (\$^{9(2)(f)(iv)} in 2005/26 down to ^{9(2)(f)(iv)} in outyears)

Advice

7. To continue with both the design and development of current RMA reforms and to develop the new resource management legislation has significant resource implications for MfE. This paper sets out some short term and longer-term resources (people and budget) implications for MfE.
8. In preparing advice for Ministers in early December as part of B25, some high-level work force scenarios were considered including the additional resource that would be required if Ministers decided to progress with both Phase 2 and Phase 3 RMA reform in parallel. This modelling identified ^{9(2)(f)(iv)} FTE needed across the organisation with ^{9(2)(f)(iv)} to be absorbed by

2024/25 underspend, sequencing and prioritisation, leveraging funds savings and retaining some fixed-term resources longer (BRF-5672). However, this would depend on choices made by Ministers on sequencing over the policy work programme, and specifically national direction amendments and Phase 3 work. The B25 initiative as lodged has a higher peak, seeking 77, 55, ^{9(2)(f)(iv)} ^{9(2)(f)(iv)} FTEs over the four years, but phases down sharply.

9. The above work was based on early scoping. The highest resource scenario has now been realised with both Phase 2 and Phase 3 RMA work proceeding in parallel. The key decisions and considerations are:
 - a) how many FTE to retain/recruit in the immediate term while waiting for B25 confirmation
 - b) how to balance the risk between:
 - i. waiting for staff to come on board and missing deadlines for delivery
 - ii. pre-empting outcomes of:
 - I. business planning
 - II. Budget 2025 RM implementation initiative
 - c) what type of staff to bring in:
 - i. extending current fixed term staff (due to finish in June 2025) in order that we "retain" in house skills and maintain momentum of the current work programme:
 - I. to 19 December 2025
 - II. to March or June 2026
 - ii. recruit fixed term staff now to have in place by Easter (mid-late April)
 - I. one-year contracts to 31 March 2026
 - II. short-term contractors who we can replace, extend or let go depending on business planning and Budget outcomes.

How many FTE and when?

10. There is significant legislative and policy work that will need to be done between now and September with this work needing to commence now at pace. Estimates identify that this remains in the vicinity of another 50-60 people across the organisation.
11. When staff are needed will depend on what they are needed for as follows:
 - a) core legislative design and supporting the bills through the house (ASAP to December 2025)
 - b) deferred policy including national planning standards and national direction along with institutional design policy (July 2025 to March 2026)
 - c) implementation support (September 2025 to June 2026).
12. Given uncertainties on B25, a two-phase approach is proposed:
 - a) Phase one:
 - i. In the immediate term, we recommend that MfE extend a number (15 FTE) of current fixed term staff (due to finish in June 2025) in order that we "retain" in house skills and maintain momentum of the current work programme
 - ii. Alongside these existing fixed term staff, we recommend that an additional 8 to 10 fixed term or contract staff be employed to support core legislative design work (starting as soon as practical eg, Easter 2025).
 - b) Phase two: in the meantime, and as part of business planning we propose that more detailed work planning is advanced and capability shortfalls are identified to refine the

50-60 number for 2025/26 (including the 15-25 above). This will need to progress rapidly, given MfE will need to recruit (fixed term) and contract people and capability from July 1 onwards.

Budget 2025

13. The Budget 2025 initiative is mostly (9(2)(f)(iv)) funding for new institutions, 9(2)(f)(iv) . The other component is as below:

\$M	2025/26	2026/27	2027/28	2028/29 and outyears	Total
Ongoing phase 3 implementation	9(2)(f)(iv)		9(2)(f)(iv)		
Fixed term implementation					
Spatial planning					
Total					
FTE	77	55			

Recruitment options

14. Additional FTE are needed with varying urgency for:

- a) additional FTE for core legislative policy and bill work who are needed sooner but for a shorter period
- b) those for implementation or working on issues deferred from the Bill will be needed slightly later but for longer.

15. Any decision on ramping up further would need to be made by September to have a meaningful impact on implementation and delivery. Discussions with other agencies indicate that they do not have any capacity to provide resources given recent public sector cuts.

Extending existing fixed-term staff

16. The first step would be to review each person’s employment status in the roles that we wish to retain (see numbers in the table below). Although we would ideally like to retain all of the current people in the roles because they would require limited integration and would work on the most urgent tasks namely supporting the delivery of the legislation there are employment obligations that need to be considered. People & Capability have advised that the following scenarios are likely, depending on the employment status of the individuals in the roles;

Employment status of kaimahi in roles to be retained	Action to be taken	No of kaimahi of the in roles requested
Permanent “not affected” (Non DR kaimahi)	Extension of secondment or acting up can be offered	4
Permanent “affected” (DR kaimahi)	Extension of fixed term role, secondment or acting up can be offered	3

CLASSIFICATION

Fixed term or contractor	Role must be advertised to ensure no disadvantage occurs for “affected kaimahi” in other roles ending 30 June who have the skill and experience to fill required roles	9
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17. This would be 16 FTE in the 2025/2026 year including 4 secondments (current assumption is that secondments will be phased or otherwise paid for but this is a risk). This will be an estimated budget cost of \$193K pp (\$2.9m) for 16FTE (12 in EMA and 4 in OCE) using salary and reduced overhead values from Budget 25. To arrive at this first stage number we canvassed the whole of MfE.
18. Offering extensions to appropriate staff prior to Easter (ASAP) with a start date of 1 July 2025 would give certainty and reduce flight risk. Ideally the extension would be through to 31 March 2026. A shorter extension to 19 December would provide more options depending on outcomes with Budget 25 or savings requirements but increase the likelihood of staff seeking employment elsewhere or declining the offer of extension.

Note: table below is headcount not FTE.

Position	No of roles	Employment status of kaimahi in roles to be retained	Action to be taken
Advisor – OIA	2	Fixed Term	Advertise via EOI
Senior Advisor – OIA	1	Fixed Term	Advertise via EOI
Senior Advisor – OIA	1	Permanent Seconded	Offer extension
Senior Advisor – Policy	3	Fixed Term	Advertise via EOI
Senior Advisor – Policy	2	Permanent Affected - (DR)	Offer extension
Senior Advisor – Policy	1	Permanent Seconded	Offer extension
Principal Advisor – Policy	3	Fixed Term	Advertise via EOI
Principal Advisor – Policy	2	Permanent Seconded	Offer extension
Principal Advisor – Policy	1	Permanent Affected - (DR)	Offer extension

Additional one-year fixed-term staff

19. This will be in two phases:
 - a) In phase one, 10-12 term or contract staff to address legislative design and supporting the bills through the house. Starting at **1 July 2025** at a cost of \$1.5-\$1.9m
 - b) In phase two, a maximum (pending analysis of redeployment options such as from ND work) of approximately 40 more staff taking more time and support to bring on board.
20. The tidiest pragmatic option for additional fixed-term staff is a contract ending 31 March 2026. The other option would be short-term contractors (to 19 December 2025) who we

could replace, extend or let go depending on business planning and Budget outcomes. It would be possible to adopt a mix of both approaches.

21. This recruitment will take time, which means we need to start as soon as possible in order for the FTEs to be able to make a substantive contribution to meeting our September 2025 deadlines. Arrangements are being sought to expedite the recruitment process specifically for these roles.

Workforce implications of these decisions

22. The short-term extensions should not have implications for the wider organisation. The estimate for additional fixed-term staff is intended to include enabling functions and this will be tested as part of further refinement.

Funding options

23. For 2024/25 funding requirements, the reliance would be on using underspend as previously agreed with Minister Bishop.

24. For 2025/26:

a) the Budget 25 initiative includes in 2025/26:

- i. \$2.036m for capability to oversee the system from the centre
- ii. \$31.018m in fixed term implementation funding
 - I. Policy and system oversight
 - II. National direction
 - III. Statutory functions & implementation
 - IV. Science, data & digitisation
 - V. Te Tiriti & Te Ao Māori
 - VI. natural hazards and risk identification
 - VII. capability to oversee the system from the centre
 - VIII. Legal advice and support
 - IX. National regulator
 - X. Planning tribunal
 - XI. Standardised zones
 - XII. RM consenting, e-planning, monitoring
 - XIII. Enablement of system actors to deliver

- b) Other costs for 2025/26 outside the Budget initiative, or in the event of it being reduced or declined, would need to be considered alongside other IPET proposals and discussed with Treasury. These costs could also be referred to in discussions on the level of the Budget initiative to be approved and the amount of reprioritisation to be offset.

Next steps

25. If approved, work will begin immediately on:

- a) extending 15 current fixed-term staff and appointing 8-10 additional fixed-term staff

- b) a report back to Te Pūrengi on refining advice regarding up to 40 additional staff (fixed term or contractors) this financial year to supplement short term work taking into account redeployment options (eg, from ND and other work programmes coming to an end).

26. Remaining funding needs will feed into business planning and IPET discussions.

Recommended Action

27. We recommend that you:

- a) **agree** that we should seek to extend 15 existing fixed-term staff (\$2.9m) for either:
 - i. 6 months
 - ii. 12 months
 - iii. a combination aiming to optimise costs over the whole of 2025/26
- b) **agree** to appointing an additional 8-10 fixed term or contract staff to address Act design and Bill policy across the initial phase starting Easter 2025 (\$1.5-1.9m)
- c) **agree** to further work being done on the optimal number of new fixed-term staff (eg, 40) as part of business planning and the time periods for which they will be required over the next 16 months – maximum term would be 12 months given time lags for your further decisions and recruitment requirements with cost up to \$7.6m
- d) **note** costs of 15-25 FTEs for 2024/25 will be met through the underspend as agreed previously
- e) **agree** further work will be done for 2025/26 on new fixed-term FTE needs (estimated 50-60 including the 15-25 above), IPET options and reprioritisation with a report back to Te Pūrengi in March 2025.