

SUMMARY OF THE SUPPLEMENTARY ANALYSIS REPORT FOR THE NEW RESOURCE MANAGEMENT SYSTEM



Ministry for the Environment

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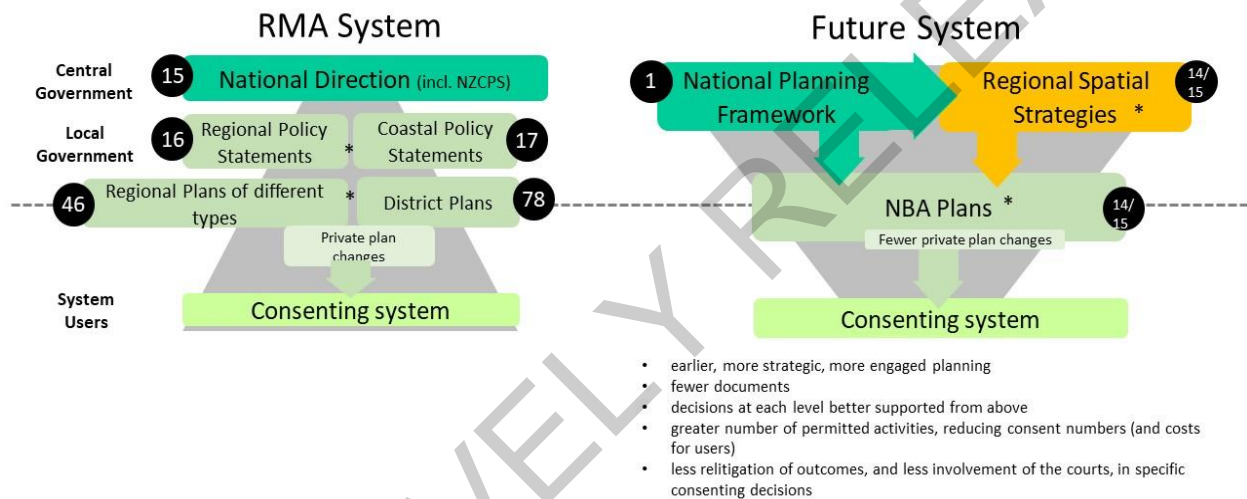
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Summary on a page

The Resource Management Act 1991 (RMA) has not delivered on its desired environmental or development outcomes, nor have RMA decisions consistently given effect to the principles of Te Tiriti o Waitangi (Te Tiriti). Current RMA processes take too long, cost too much, are too uncertain and will not address the many new/increasing challenges facing our environment and communities.

Cabinet decided, in December 2020, to proceed with a new resource management system. The RMA is to be repealed and replaced by new legislation, including a Spatial Planning Act (SPA) and Natural and Built Environments Act (NBA). The figure below compares the RMA system with what is proposed.

Comparison with RMA system



* Reflecting iwi management plans and similar documents. Private plan changes will remain but in a smaller role.

A Supplementary Analysis Report (SAR), which considers the regulatory impacts of the SPA and NBA Bills has concluded that Cabinet objectives for the new system can be achieved. The cost-benefit analysis in the SAR provides a strong, positive indication of the value the new system can deliver. Conservatively, the monetised benefit cost ratio is 2.58, but realistically could be around 4.90. Large non-monetised benefits could also be realised.

With effective implementation, the benefits of the new system will arise, in part, from:

- more consistent and integrated national direction through the National Planning Framework
- Regional Spatial Strategies giving effect to the Framework, and supporting community and environmental wellbeing by enabling and driving change and adaptation
- a reduction in the number of local government resource management plans, improvements in plan quality and decision-making with greater clarity and certainty for all
- reduced consenting requirements and limited appeal rights while ensuring environmental safeguards are still in place.

Quality assurance comment

The following is the full quality assurance statement as it appears in the SAR.

*“A quality assurance panel with members from the Treasury, Ministry for the Environment and Ministry of Business, Innovation and Employment has reviewed the Supplementary Analysis Report (SAR), “The new resource management system” produced by the Ministry for the Environment dated 22 July 2022. The SAR was modified by the Ministry on 20 September 2022 and an Addendum was inserted which provides an update on further policy decisions that have been made since the SAR was finalised. The panel considers that it **partially meets** the quality assurance criteria.*

The SAR represents a lot of work on a major and complex reform. It clearly states the problem with the current system and makes the case for change. The SAR outlines the potential for significant benefits from system-wide reform relative to the status quo.

The pace at which the proposals have been developed means that much of the detailed policy and implementation decisions are still to be made. This makes it very challenging for the SAR to fully address the range of likely impacts, costs, benefits and risks associated with the chosen reform option, and how it will be implemented. There is a risk that the costs, challenges and any delays to implementation could impact on the realisation of the stated benefits of the reforms. However, the SAR highlights issues which can usefully inform remaining decisions to help manage some of these risks.

A range of consultation has been undertaken, but the full range of specific proposals has not yet had the benefit of broad public consultation. Proposed future consultation will therefore be important as the potential costs and benefits of changing the country’s resource use planning documents and consenting arrangements will be large – not just in terms of local authority processing costs. Māori, community, business and resource users will all face potential costs and benefits in ensuring their interests are protected and reflected throughout the process.

The SAR and Addendum acknowledge that there are significant uncertainties and risks in key areas including: Treaty obligations, Māori participation and representation, changes in resource allocation, sector impact, and system funding requirements. The Addendum indicates the intention to postpone some changes until more extensive consultation has been undertaken with Māori. It will be important to ensure that Māori interests are well integrated with wider system changes that are likely to be occurring in parallel.

As much of the detail around how the new system will be operationalised has yet to be developed, there is limited quantitative evidence of the effectiveness of the chosen option. However, further in-depth work is proposed in the SAR and impact analysis will be required to support future regulatory decisions. The panel considers that developing a detailed implementation strategy will be essential for ensuring the effective implementation of the new system. It will also be important to more clearly outline the intentions for post-implementation review.”

The Addendum referred to in this statement was inserted in the SAR in September 2022 to provide an update on key decisions made after the SAR was finalised that will contribute to benefits above and beyond what is stated in the SAR. Some of the decisions and ongoing work will help to resolve issues or mitigate risks identified in the SAR, support the Government’s objectives for the new system and/or realisation of benefits.

The nature and purpose of this summary document

This document is not a Regulatory Impact Statement (RIS) nor is it a SAR. It is a summary of some of the content in the SAR which considers the regulatory impacts of the Spatial Planning and Natural and Built Environments Bills. If passed, the Bills will form the primary legislative base for the new resource management system.

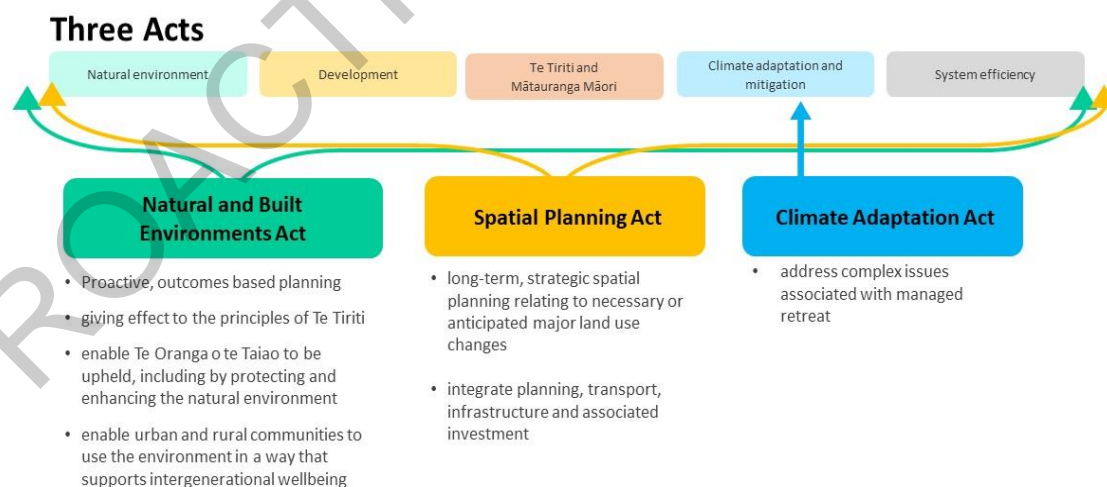
A SAR is required where a RIS is not provided at the time that Cabinet makes substantive policy decisions involving regulatory proposals. Although impact advice was provided to Ministers throughout the policy process, the iterative decision process for the new system meant it was not feasible to provide a RIS. As explained in more detail below, that process involved a Ministerial Oversight Group and subsequent delegated decision-making by Ministers over many months.

The SAR, this summary and documents that informed cost-benefit analysis aspects of the SAR have been proactively released. This summary references applicable sections of the SAR in which to find further information.

Context and background

In 2019, Cabinet established an independent Panel (the Panel) to review the resource management system. After receiving the Panel report, Cabinet decided, in December 2020, to proceed with a new resource management system based on the Panel's recommendations while noting that *"...further work and refinement is needed in some areas."*

As summarised in the figure below, the Panel's recommendations included repealing the Resource Management Act 1991 (RMA) and enacting three new Acts, including a Strategic [Spatial] Planning Act (SPA) and Natural and Built Environments Act (NBA). The third being a Climate Adaptation Act which is proceeding separately on a different timeline to the SPA and NBA and is not addressed by the SAR.



Objectives and outcomes for the new system

Cabinet objectives, and further related outcomes agreed by the Ministerial Oversight Group, for the new system are set out in the table below. The objectives underpin the new legislation and the SAR analysis of the key policy shifts inherent in the legislation includes an assessment against the objectives.

Objective	Intended outcomes from objectives
Natural environment: Protect and where necessary restore the natural environment, including its capacity to provide for the wellbeing of present and future generations	<ul style="list-style-type: none"> the natural environment is protected and restored, and the health of New Zealand's fresh water, coastal water, air, soil, ecosystems and their ability to sustain life are maintained in line with Te Mana o te Taiao nationally and regionally significant landscapes, natural features, habitats for indigenous species, native biodiversity and the natural character of the coast, river and lakes are maintained or where appropriate enhanced important indigenous species and their ecosystems are protected and where necessary restored
Development Better enable development within environmental biophysical limits including a significant improvement in housing supply, affordability and choice, and timely provision of appropriate infrastructure, including social infrastructure	<ul style="list-style-type: none"> more flexibility for people to use resources and for places to change, while looking after the natural environment the right infrastructure, in the right place at the right time, which provides adequate access to economic and social opportunities and enables people to maximise their wellbeing housing supply is responsive to demand, with competitive land markets enabling more efficient land use and responsive development, which helps improve housing supply, affordability and better meets a range of housing needs (by type, size, location and price point)
Te Tiriti Give effect to the principles of Te Tiriti o Waitangi and provide greater recognition of Te Ao Māori, including mātauranga Māori	<ul style="list-style-type: none"> process and substance of the National Planning Framework (National Planning Framework) and plan-making decisions give effect to the principles of Te Tiriti and reflect Te Ao Māori, including mātauranga Māori iwi/Māori can participate as Te Tiriti partners across the resource management system, including in national and regional strategic decisions, and are sufficiently resourced for duties or functions that are in the public interest Māori customary rights, cultural values and Treaty settlements are protected, and equitable access to resources for iwi/Māori is ensured improved central and local government capability to effectively work with iwi/Māori
Climate and risk Better prepare for adapting to climate change and risks from natural hazards, and better mitigate emissions contributing to climate change	<ul style="list-style-type: none"> costs, disruption and distress due to the impacts of climate change and natural hazards are minimised in the long term for society as a whole long-term and predictable arrangements for risk sharing, and funding and financing of risk reduction and adaptation action are in place new development and communities are located and designed to be resilient to and reduce the risks from natural hazards and long-term climate impacts existing development and communities are proactively and equitably transitioned to reduce unacceptable risks from natural hazards and long-term climate impacts the resource management system supports national instruments and programmes to contribute to the global effort under the Paris Agreement to limit

	the global average temperature increase to 1.5 degrees Celsius above pre-industrial levels
System performance Improve system efficiency and effectiveness, and reduce complexity, while retaining appropriate local democratic input	<ul style="list-style-type: none"> • unnecessary costs are removed and net benefits maximised • greater certainty, consistency, fewer plans, consents and appeals, faster plan preparation and faster approvals • external costs fall where they should and the burden of system processes shifts towards the public sector • decisions and decision-making provides reasonable opportunities for public participation, including by communities currently under-represented in the system, and better reflects communities of interest • greater public input into strategic decisions and less direct input into site-specific appeals, with the input of communities proportionate to the issues at stake.

The exposure draft and earlier impact analysis

The Natural and Built Environments Bill exposure draft was released on 29 June 2021 along with the *Interim Regulatory Impact Statement: Reforming the resource management system* (interim RIS). The exposure draft provided an early opportunity to consider aspects of the proposed legislation including the purpose of the NBA, the National Planning Framework, and Natural and Built Environments Plans (NBA Plans). This was followed by a Select Committee Inquiry into the exposure draft, hui with iwi/Māori, and further targeted consultation with specific stakeholder groups.

Since the release of the exposure draft and the interim RIS, the approaches and planning instruments outlined in the exposure draft have been subject to more detailed policy development. Further work has also been undertaken on the proposed SPA. This has included the design of processes, content and oversight of regional spatial planning, and how regional spatial strategies interface with, and support, the broader system prescribed in the proposed NBA.

Further context in the SAR

Section 1.1 of the SAR provides further context and background information, including by outlining:

- key features of the current resource management system
- the current state within which action is proposed
- how the status quo is expected to develop in the absence of change
- previous work and decisions relevant to the current state problems
- other relevant government work programmes.

SAR challenges and scope

Key challenges associated with providing a regulatory impact assessment for the Spatial Planning and Natural and Built Environments Bills using the standard RIS process included:

- **interdependencies:** Assessing options for multiple interdependent policy choices
- **volume and complexity of decisions:** Hundreds of decisions on a wide, complex range of inter-related topics made across 18 Ministerial Oversight Group meetings, with many further matters of detail determined through a further delegated decision process
- **time pressures:** Driven by the Government commitment to initiating the shift to new resource management system within the current Parliamentary term.

The SAR builds on aspects of the interim RIS focused on national direction setting, regulatory planning and the assessment of the marginal process-related costs and benefits of moving from the status quo.¹ It also includes analysis of implementation settings, risks and mitigations, transitional issues, and how the new system will be monitored against Cabinet's objectives.

The SAR assessment is 'high-level' with a focus on the overall system and the key policy shifts. This is mainly because much of the detail of the new system that will determine impacts will not be finalised for years after the SPA and NBA pass into law. For the same reasons, it was not possible to assess impacts on all sectors and interest groups.

In this context the SAR:

- summarises the status quo (the counterfactual) and identified problems
- describes objectives and intended outcomes of the new system as determined by Ministers
- identifies advantages and disadvantages of the key policy shifts Ministers have decided to progress
- assesses, for each key policy shift, the extent that changes address identified problems, and the level of certainty that it will contribute to achievement of objectives/and or intended outcomes (including consideration of trade-offs and key implementation risks)
- presents a high-level assessment of estimated costs and benefits of the new system relative to the status quo
- describes initial thinking about the overall approach and planning around transition, implementation, and system monitoring and oversight.

¹ Unless the context indicates otherwise, the term status quo in this SAR refers to the RMA system as it currently stands. That includes recent developments such as the National Policy Statement on Urban Development, the fast-tracked consenting processes (applicable until July 2023), and recent amendments, such as the Enabling Housing Supply and Other Matters Amendment Bill.

The problem and opportunity

The problem

The RMA has not delivered on its desired environmental or development outcomes, nor have RMA decisions consistently given effect to the principles of Te Tiriti o Waitangi (Te Tiriti). Current RMA processes take too long, cost too much, are too uncertain and will not address the many new/increasing challenges facing our environment and communities.

Plans under the RMA have been too restrictive to enable housing or infrastructure development where needed and have not effectively managed cumulative environmental effects for the natural environment. Resource consenting has become more costly and is taking longer, with particularly significant impacts on infrastructure projects and providers.

Preserving 'amenity' has been used to stifle development. This has contributed to rapidly increasing urban land prices and New Zealand's housing being amongst the least affordable in the OECD.

New Zealand needs a resource management system that will manage these challenges more effectively for current and future generations. The system needs to transform our relationship with the environment/Te Taiao while also better enabling development and infrastructure.

Situational context

New Zealand's resource management system is operating in the context of several wide-ranging challenges, namely:

- increasing and substantial new environmental pressures and climate change impacts
- urban areas struggling to keep pace with population changes and demands for public infrastructure
- many local authorities being financially stretched
- insufficient recognition of Te Tiriti and a lack of support for Māori participation in the system (with Te Tiriti Settlements also changing the nature of environmental governance under the RMA).

RMA changes have not solved the problems

The RMA has been amended regularly and substantially throughout its 30-year history, with significant changes including:

- strengthening the role of central government in resource management decision-making and increased local authority accountability for resource management activities
- attempts to streamline resource management planning and decision-making
- providing more opportunities for iwi/Māori participation.

Further information about substantive, past changes to the RMA is available in **Appendix A** of the SAR.

Centrally led national direction including national policy statements, national environmental standards and national planning standards have been implemented to assist with decision-making under the RMA.

Despite the good intent of changes, issues remain that are contributing to inefficiencies and poor outcomes. The changes have added complexity, making it more difficult to navigate the current system.

The Panel summarised the issues as a combination of failures in the regulatory design and implementation of the RMA, the status-quo bias, and consequent inequities (eg, among resource and system users and particularly for Māori). There has also been some misuse of the system to stifle reasonable competition and/or to prevent or slow desirable developments.

Causes of the problems

The SAR lists the following as identified causes of the current resource management system problems.

- **Insufficient focus on positive outcomes:** The resource management system focuses on managing adverse effects but does not sufficiently recognise the benefits associated with an activity. The RMA's purpose does not address enhancing, restoring or regenerating the environment. Rather, resources must be "*sustained*," life-supporting capacity "*safeguarded*" and adverse effects "*avoided, remedied and mitigated*."
- **Status quo bias:** There is a lack of future focus and a bias towards the status quo. This does not recognise that our society, including how and where we live, is dynamic and constantly evolving or the need to adapt to the effects of climate change. This is because of an emphasis on avoiding or remedying adverse "effects," the protection of existing use rights, a focus on preserving amenity for current landowners and processes that favour the well-resourced.
- **Inadequate integration and strategic planning:** Plans and decision-making under the RMA, Local Government Act and Land Transport Management Act all affect one another. However, co-ordination across these Acts is difficult. Strategic, long-term planning is underutilised – planning for the system to anticipate and respond to future changes and challenges such as population growth and climate change. This is worsened because funding mechanisms, which span central and local government, are poorly aligned with land use and infrastructure plans.
- **A complex regulatory system:** The RMA legislation and processes have become increasingly complex through successive legislative amendments. This makes it difficult for users to anticipate how the law will apply to them and how to participate. It is also more difficult for central government to exercise effective stewardship over the system and for local authorities to prioritise and carry out their responsibilities. Furthermore, multiple plans and processes can make it difficult for the public and iwi/Māori to participate effectively.
- **Inefficient, unsustainable, and inequitable allocation of resources:** The default 'first in first served' approach to allocation under the RMA has disadvantaged potential new users of resources, particularly Māori. The current system has proven insufficiently flexible to respond to pressure on the environment and has yet to adequately address iwi/Māori rights and interests.
- **Overlapping roles and accountabilities:** RMA decision-makers operate in a complex environment that involves functions under other Acts that deal with funding, infrastructure provision and land use and which have a significant impact on the performance of the resource management system. Decision-makers often operate in silos, with poor alignment of funding, roles, and objectives across national, regional and local levels. This can result in distorted incentives within the system, inefficiencies, and duplication. Lines of accountability can also lead to conflicts of interest, for example, if councils involve politicians in compliance, monitoring and enforcement decisions.

- **Poor implementation:** The system has been poorly implemented, though improvements have been made recently. Prior to 2013, national direction was slow to be developed, with some significant gaps remaining. Central and local government often lack the capability and capacity to fulfil the roles expected of them (such as compliance, monitoring and enforcement). Existing tools within the system have been underutilised, such as economic instruments and tools to partner with iwi/Māori. Also, there is not enough quality data on performance.

Further information on the problems can be found in **section 1.2** and in **Appendix C** of the SAR.

A new direction for the resource management system

The new RM system mostly advances the Panel recommendations with substantial enhancements and attention to detail. A few examples of enhancements made since the exposure draft of the NBA are:

- the concept of Te Oranga o te Taiao rather than the Panel's proposed Te Mana o te Taiao
- more streamlined outcomes with a focus on enabling development within limits and mandatory targets for ecological integrity and human health
- more integrated central government direction, including a single statutory National Planning Framework which explicitly incorporates strategic direction
- more flexibility to ensure processes are proportionate and robust.

The operative parts of the proposed new resource management system are:

- **National Planning Framework:** National direction for regional and local decision making. When the first iteration is complete in 2025 it will consolidate 23 existing national direction documents. Existing policy intent will be retained, but refinement will occur to ensure compatibility with the NBA. There will also be new content on infrastructure, environmental limits and targets, other new content to fill key gaps in the existing national direction, and an overarching layer on resolving conflicts (cross-cutting direction).
- **Regional Spatial Strategies:** Strategic direction for integrated planning in the region focusing on the big issues and opportunities. A vision and objectives to guide the region over the next thirty plus years. Will provide direction for NBA plans and local authority transport and funding plans and will inform central government investment decisions. The Strategies will identify areas that are suitable for development, need to be protected, require infrastructure, or are particularly vulnerable to the effects of climate change and natural hazards. Based on regional and unitary council boundaries, with opportunities to address cross-boundary issues, regional planning committees will develop them. They will be supported by implementation plans and agreements.
- **NBA Plans:** A single plan for each region under the NBA to cover resource use, allocation, and land-use management, also developed by regional planning committees. The plan will give effect to the National Planning Framework, including where to set environmental limits, be consistent with the Regional Spatial Strategy and cover matters that are significant to both the region and its districts. The plans are intended to improve efficiency in the resource management system by ensuring consistency across a region and by consolidating over one hundred existing policy statements and plans.

- **Consenting:** Primarily in relation to NBA Plans, although the National Planning Framework will also have a part in categorising activities as follows:
 - Permitted: activities where positive and adverse effects are known. There will be a slight expansion in scope of permitted activities.
 - Controlled: activities where potential positive and adverse effects are generally known, but where tailored management of effects is required. Limited discretion to decline.
 - Discretionary: activities that are less appropriate, have effects that are less known and activities that were unanticipated at the time of plan development.
 - Prohibited: activities do not meet outcomes and/or breach limits – no application allowed.

The compliance and monitoring system will also underpin the performance of the system. This is discussed in more detail later in this summary.

The SAR analysis of key policy shifts and impact certainty

The key policy shifts

The key policy shifts agreed by Ministerial Oversight Group that have progressively directed and determined the overall design of the new resource management system relate to:

- the SPA will coordinate and integrate planning across the system through the development of Regional Spatial Strategies and implementation plans and will ensure:
 - local government, iwi/Māori, and central government work in partnership in a more integrated manner with legally binding decisions and requisite actions around long-term planning, commitments and investment (as opposed to current non-binding and ad-hoc approaches) to better secure community support, economies of scale and to achieve the best outcomes for each region
 - long-term development capacity needed in regions is identified, saving time and money for central and local government, as well as households
 - areas for development, infrastructure corridors and other key infrastructure are identified to provide direction for NBA plans, council long-term plans and regional land transport plans
 - effective and timely planning and action around climate change impacts
- the NPF made under the NBA (including environmental limits and targets) that will include:
 - limits, targets, and other national directions to help ensure development within biophysical limits
 - a specific chapter to support efficient and integrated provision of infrastructure, and standardise planning nationally for the provision and approval of new infrastructure
 - national standards to increase certainty and help reduce consenting requirements and costs
- 14 NBA plans (compared to around 100 RMA plans) for the management of natural and built environments in each region that:
 - will be faster to prepare and enable greater regulatory predictability for end users
 - will substantially resolve current status quo bias issues, including those arising from 'amenity' considerations
 - include exceptions to rules that might unduly delay or affect key infrastructure
 - continue the Medium Density Residential Standards arising from the RM (Enabling Housing Supply and Other Matters) Amendment Act 2021
 - will involve independent hearings panels to improve plan quality and enable appeal rights to be restricted for matters in line with their recommendations, reducing delay, cost, and re-litigation in the system
- giving effect to the principles of Te Tiriti and Māori participation in the new system
- new regional governance arrangements
- changes in approach to consenting, designations, resource allocation, funding and system oversight, including:

- more permitted activities to substantially reduce numbers of consents
- more flexible designations processes, available to a wider group of providers
- continuing and evolving a fast-track consenting option for infrastructure projects like that established to support Covid 19 recovery, which has proven to reduce consenting time.

The assessment approach

The SAR assesses each of these shifts against the Government objectives for the new resource management system to estimate the extent of improvement relative to the status quo. Advantages and disadvantages of the shifts are also identified. **Section 3.1** of the SAR provides more information on the assessment criteria and approach, including a Tiriti assessment component.

The SAR uses the following scale to assess each policy shift against the objectives.

Significant improvement on the status quo	++
Minor-moderate improvement on the status quo	+
Status quo / little different to the status quo	0
Minor-moderately worse than the status quo	-
Significantly worse than the status quo	--
Not applicable – this criterion is not relevant to this option	NA

To differing degrees, the assessment results are all positive in terms of the objectives. However, the SAR also considers key implementation risks and the disadvantages and trade-offs that may be needed where there are tensions between objectives. This consideration provides a relative indication of how certain it is that each shift will contribute to achieving objectives and/or intended outcomes.

The following scale was used for the impact certainty assessment.

High certainty that the identified impacts will arise	HIGH
Medium certainty that the identified impacts will arise	MEDIUM
Low certainty that the identified impacts will arise	LOW

A medium or low certainty impact assessment does not mean the objectives or outcomes will not be achieved or that benefits will not be realised. Rather it is an indicator of the relative degree of difficulty and is likely to mean that more time, effort and resources will need to be deployed to ensure success.

While the overall analysis in the SAR is positive, it highlights the importance of effective implementation and risk management. Without effective implementation, the substantial potential benefits of the new system will be reduced or lost.

More details about the criteria and assessments are also contained in **Appendix D** of the SAR.

Summary of the assessment of key policy shift decisions

The table below is the overall summary of the assessment results (taken from **section 3.2** of the SAR). Individual assessments for each of the key policy shifts are in **sections 3.4 - 3.13** of the SAR. **Section 3.14**

of the SAR provides an overview of future areas of work necessary to implement each part of the SPA and NBA.

Policy area	Key policy shift decisions	Improvement relative to the status quo	Impact certainty assessment
Giving effect to the principles of Te Tiriti and Māori participation in the new system	<ul style="list-style-type: none"> The creation of the national Māori entity whose key role is to support positive and continuous improvement throughout SPA and NBA system. The development of the National Planning Framework will involve input from the national Māori entity (in policy development and the National Planning Framework Board of Inquiry process), mātauranga Māori experts (setting of national scale limits and targets), iwi/hapū/Māori being engaged by officials, alongside other New Zealanders Within the devolved resource management system there will be membership of regional planning committees, and support to carry out those functions funded by local government The purpose of the NBA provides for greater recognition of te ao Māori by enabling Te Oranga o te Taiao to be upheld, including by protecting and enhancing the natural environment. To support the change to the new resource management system transitional funding has been set aside to support Māori participation with extra funding for councils with low rating base as possibility. 	++	MEDIUM
The Spatial Planning Act and Regional Spatial Strategies	<ul style="list-style-type: none"> Regional Spatial Strategies are intended to drive regional change and adaptation through a partnership between local and central government and iwi/Māori – by coordinating and supporting public and private investment in key strategic assets that will contribute to the achievement of the vision, goals and actions established in the region's Regional Spatial Strategies. Regional Spatial Strategies set a strategic direction for at least the next 30 years (eg, 30 to 50 years for large infrastructure, and 100 years plus projections for climate adaptation). Cover current regional areas out to the 12-mile coastal limit, with provisions for cross-regional collaboration. Each Regional Spatial Strategies to have a high-level implementation plan which outlines the key actions and delivery partners involved, prioritisation of actions and how progress will be monitored and reported. 	++	MEDIUM
The National Planning Framework	<ul style="list-style-type: none"> The intent of the National Planning Framework is to provide an integrated and cohesive set of regulatory direction to guide the implementation of the NBA and support decision-makers in reconciling competing matters across the system. It will provide direction on matters of national (or sub-national) significance or matters where national consistency is desirable. It will provide national, regional, local or spatially specific direction (where appropriate). 	++	MEDIUM

Limits and targets	<ul style="list-style-type: none"> The level of environmental limits to protect ecological integrity will be defined as the current state of ecological integrity. Where a part of the natural environment is already unacceptably degraded, the National Planning Framework will set out a minimum level or target which councils must manage to. NBA Plans must include targets set at least at the level of the limit, or the National Planning Framework directed minimum level or target (whichever is higher quality), for each aspect of the natural environment for which limits are prescribed. Environmental limits and associated targets will apply within managements units, which will be set at an appropriate spatial scale to ensure that limits and associated targets meet their primary purpose (protecting or restoring human health and the ecological integrity of the natural environment). 	+	LOW
NBA Plans	<ul style="list-style-type: none"> NBA Plans provide a single regulatory framework for the management of natural and built environments in each region. NBA Plans give effect to the principles of Te Tiriti o Waitangi and provide for kaitiakitanga, tikanga Māori and use of mātauranga Māori NBA Plans focus on outcomes while managing effects, and provide a means to resolve resource use conflicts and tensions NBA Plans look forward and address cumulative effects to promote the integrated management of natural and built environments. 	++	MEDIUM
Resource consenting	<ul style="list-style-type: none"> The NBA will require the Minister for the Environment (through the National Planning Framework) and the regional planning committees to assign activities within the following prescribed categories: Permitted, controlled, discretionary, and prohibited. The activity categories will specify the level of information required for consents and timeframes Information requirements will be proportionate to the size and scale of the proposed activity and defined by the activity 	+	MEDIUM
Resource allocation	<ul style="list-style-type: none"> Introduce resource allocation principles of sustainability, equity, and efficiency. Principles will not be defined in the NBA – definitions would be provided in the National Planning Framework. The policy intent is to ensure a more balanced approach is taken to allocation, rather than continue the current widespread practice of automatically adopting first in first served and prioritising existing users when issuing new consents. 	+	MEDIUM
Regional governance	<ul style="list-style-type: none"> The SPA will establish regional planning committees responsible for preparing and approving Regional Spatial Strategies, preparing and approving regional NBA Plans comprising of local government, Māori, and central government appointments (for SPA purposes). Local authorities will retain responsibility for implementing and administering Regional Spatial Strategies and NBA Plans in their regions. 	+	LOW

	<ul style="list-style-type: none"> The regional planning committees will be standing committees and have on-going roles in the system including monitoring functions for plans. 		
Funding the new system	<ul style="list-style-type: none"> Principle 1 – users/polluters whose actions or inactions give rise to the need for environmental management functions, duties, and powers should pay the costs associated with funding those functions, duties, and powers Principle 2 – where it is not administratively efficient to charge users/polluters for such costs, it is normally equitable that ratepayers (or a relevant subset of them) meet the costs Principle 3 – where it is not administratively efficient and/or equitable for ratepayers to meet such costs, taxpayers should do so Principle 4 – at all levels within the system, costs and charges should be proportionate with mechanisms to identify and control inefficiencies or excesses; so as not to create incentives that drive unnecessary costs and complexity 	++	MEDIUM
System oversight	<ul style="list-style-type: none"> Stronger requirements in the NBA (and SPA) for responsible bodies to monitor and evaluate the implementation and effectiveness of Regional Spatial Strategies and NBA Plans and to respond when monitoring identifies problems that need to be addressed Stronger regulatory stewardship and operational oversight of the system by central government, including through the development of a system monitoring, reporting and evaluation framework, and oversight of the implementation of the National Planning Framework The NBA includes a range of provisions and requirements to require and direct monitoring of the state of the environment, including consistent approaches to monitoring environmental limits 	+	LOW

Key risks and trade-offs

Risks and mitigations

Key risks and intended mitigations within the context of the reform objectives identified in the SAR include:

- **Capacity/funding:** Action will be required to ensure that central government, local authorities, and/or iwi/hapū/Māori build and maintain the capacity, capability, resourcing, tools and funding necessary to establish and operate the new system. The Government has already committed significant funding in Budgets 21 and 22 to support implementation. Clear central government direction and guidance, in-kind support, tools to improve system efficiency and timing that accounts for local/regional budget processes have also been identified as mitigation options.
- **System effectiveness and efficiency:** Implementation of a new and quite different system may take considerable time. Measures to hasten effective implementation will include phased preparation of new RSSs and NBA plans based on an initial, centrally supported model project) and good legislative and operational design to remove bottlenecks.
- **Culture change:** Difficulties with changing existing institutional norms and culture will need to be addressed so the capability to develop and implement the new NPF, RSS and NBA plans will develop sufficiently to deliver the new RM system. This will occur through close relationships, thought leadership (agents of change), focused support and training to develop skills around the use of more holistic approaches and being more agile and adaptive in the context of enabling legislation and dynamic, evolving planning environments.
- **Te Tiriti:** If Māori involvement throughout the plan development process faces barriers such as funding, capacity, or practical issues (eg, not providing time), the reflection of Māori values in plans will not be realised. In addition to funding and capacity mitigations, there will be new education initiatives and partnering with mana whenua to provide guidance and support for local authorities and other system implementers to introduce new skillsets, improve understanding and application of te ao Māori and mātauranga Māori.
- **Environment, Development, System effectiveness and efficiency:** Limits will be driven by modelling exercises where there is a lack of comprehensive data for environmental matters. There is a risk that limits or targets may be set at a level that does not protect human health or ecological integrity, or that policies to implement the limits and targets are not effective. This will be addressed by assembling better scientific evidence, more robust monitoring and feedback loops to determine effectiveness in achieving outcomes and to be responsive when shortcomings become apparent.

Although effective mitigation options have been identified, the SAR acknowledges that the path to achieving some outcomes will be more challenging than others.

Summary of key risks and trade-offs between objectives

The table below (from **section 3.3** of the SAR) summarises the key risks to success for each policy area. More detail on implementation and evaluation is discussed later in this summary and in **sections 5 and 6** of the SAR.

Policy area	Summary of key risks and trade-offs between objectives
Giving effect to principles of Te Tiriti and Māori participation in the new system	<ul style="list-style-type: none"> • Capacity/funding: Central government, local authorities, and/or iwi/hapū/Māori lack the capacity, capability, resourcing, tools and funding necessary to establish and operate the new system. • Participation: Even if iwi/hapū/Māori can participate other priorities may result in them choosing not to participate (ie, participation is an option, not an obligation) • System efficiency and effectiveness: Mana whenua status may continue to be contested in resource management processes or through the courts. • System efficiency and effectiveness: The expansion of participatory rights for hapū and other Māori groups in the system will significantly increase the engagement requirement on decision-makers.
Regional spatial strategies	<ul style="list-style-type: none"> • System effectiveness and efficiency: Without RSS driving change and adaptation, local government, iwi/Māori, and central government working in partnership, and coordinated public and private investment there is a risk that the SPA will add an extra layer to the resource management system with little tangible benefit. • System effectiveness and efficiency: Implementation of a new and quite different system may take considerable time. • System effectiveness and efficiency: Difficulties with changing existing institutional norms and culture so the capability to develop and implement the new NPF, RSS and NBA Plans may not develop sufficiently to deliver the new resource management system. • Development: There is a risk that identifying infrastructure needs and indicative corridors and strategic sites many years in advance (even if this is only indicative) will increase the cost of land and encourage land-banking.
National direction – the role of the NPF	<ul style="list-style-type: none"> • Development, System effectiveness and efficiency: Under any staged approach, there is a risk that development of new content and substantial amendments to the NPF could have implications for RSS direction. • System effectiveness and efficiency: Further to the above risk, the staged approach also means there will be two systems running in parallel during the implementation period. • System effectiveness and efficiency: There is a risk of the ingrained planning cultural norms will persist under the new system and resourcing for capability training will be required to help with the transition.
Environmental outcomes – Limits and targets	<ul style="list-style-type: none"> • System effectiveness and efficiency: Relies on clear policy direction, including for management units, in the NPF to give effect to the limits, which can then be implemented in plans. However, there will be delay in when these plans are implemented. • Environment, Development, System effectiveness and efficiency: Limits will largely be based on modelling exercises because there is a lack of comprehensive data for many environmental matters. This presents a risk that the limits or targets may be set at a level that does not protect human health or ecological integrity, or that policies to implement the limits and targets are not effective.

	<ul style="list-style-type: none"> • Climate change, System effectiveness and efficiency: The increasing speed of climate change will force periodic reviews of limits and associated policies to achieve no net loss of ecological integrity.
Natural and Built Environments plans	<ul style="list-style-type: none"> • System effectiveness and efficiency: The design and implementation of an effective NPF is imperative to the success of NBA Plans. • Te Tiriti: If Māori involvement throughout the plan development process faces barriers such as funding, capacity, or practical issues (eg, not providing time, choosing inappropriate places to meet), the reflection of Māori values in NBA Plans will not be realised. • System effectiveness and efficiency: A failure to undertake and report on the monitoring which is envisaged means NBA Plans will lose effectiveness over time.
Consenting and designations	<ul style="list-style-type: none"> • Environment, Development, System effectiveness and efficiency: There is a risk of being too prescriptive and stifling good practice; balance needs to be struck between categorising to protect the environment and categorising to enable development within limits. • System effectiveness and efficiency: If digital transformation to support consenting and designations in the new system is not adequately funded and implemented, there is a risk the consenting system will remain complex and time consuming to navigate. • Environment, System effectiveness and efficiency: There is a risk that there will be gaming of consent application processes.
Resource allocation	<ul style="list-style-type: none"> • Environment, System effectiveness and efficiency: If allocation approaches are not included in the NPF prior to the development of NBA Plans for resources that are under pressure, there will be a missed opportunity to support regional planning committees to develop sustainable, equitable, and efficient allocation approaches and achieve resource management reform outcomes.
Regional governance and decision-making	<ul style="list-style-type: none"> • System effectiveness and efficiency: Formation of regional planning committees and consensus on representation will take time, particularly in the establishment phase when processes are being designed and implemented for the first time. • Te Tiriti and Māori participation, system effectiveness and efficiency: Further to the above risks around composition delays, this is particularly acute with the risk that the minimum of two seats is seen as a target rather than a floor, leading to unavoidable disputes for Māori. • Development, System effectiveness and efficiency: There is a risk decision-making could be slowed down when there is difficulty in reaching a consensus on strategic decisions and plans.
Funding the operation of the new system	<ul style="list-style-type: none"> • Development, System efficiency and effectiveness: Due to the need to address each cost/charging tool in isolation when designing and writing the policy, there may be a risk that the possible cumulative behaviour or cost implications associated with various combinations of tools being used together has not been fully realised. • System effectiveness and efficiency: There is a risk that councils may not collect adequate data and keep appropriate revenue gathering records which could lead to over or undercharging.
Monitoring and oversight	<ul style="list-style-type: none"> • System effectiveness and efficiency: Lack of resourcing and capability to monitor, understand and intervene in the new resource management system means there is a risk of system ineffectiveness. • Environment: The success of monitoring and oversight heavily relies on the existence and availability of data to track key metrics related to the performance of the system including environmental limits and targets.

Costs and benefits of the new system

The details of the cost benefit analysis are in **section 4** and **Appendix E** of the SAR.

A strong, positive indication of the value the new system can deliver

Overall cost benefit estimates are strongly positive and confirm that the new system, well-implemented, will deliver significant benefits due to:

- more consistent and integrated national direction through the National Planning Framework
- Regional Spatial Strategies that must give effect to the National Planning Framework, and support community and environmental wellbeing by enabling and driving change and adaptation rather than just enabling it
- a reduction in the number of local government resource management plans, improvements in plan quality and decision-making with greater clarity and certainty for all
- reduced consenting requirements and limited appeal rights while ensuring environmental safeguards are still in place
- simplifying and standardising processes and making them less time-consuming and costly (including through digital transformation and wider use of standardised forms and templates).

Estimates of the establishment costs and new/ongoing costs (PV \$3.891 billion) are less than the conservative estimate of benefits over the 30-year assessment period. Leaving aside the range of non-monetised benefits, the monetised benefits alone have a PV \$10.039 billion over 30 years. Even with conservative assumptions applied, this delivers a benefit cost ratio of 2.58.

Although this conservative approach delivers a strong positive indication and there are some uncertainties, wider benefits analysis indicates there will be much greater gains. Realistically, monetised benefits could deliver a cost benefit ratio of 4.90 and the addition of large, non-monetised benefits will deliver an even better result.

The higher, but still realistic, cost-benefit ratio arises from the following:

- **Ongoing process cost savings for regulated parties:** Increasing the assumed reduction in consenting volume from 20 percent to 40 percent and greater recognition of a fuller range of potential cost savings (identified cost increases greater than inflation) for users associated with the reduction. Leading to total consent efficiency benefits increasing from \$210 million to \$430 million per year with a corresponding PV increase of \$3.35 billion.
- **SPA/RSS welfare gain:** Increasing the total benefits derived from the contribution of the SPA and RSS to enhanced infrastructure and planning outcomes from PV \$257 million to PV \$642 million (being the mid-range, rather than low range, estimate of the overall welfare gain)
- **Housing supply benefits:** Increasing housing supply benefits over the next 30 years from PV \$2.2 billion to PV\$7.5 billion (due to more competitive land markets, improved housing supply elasticity, improved transparency in consenting processes, and improved clarity and consistency in national direction). This is also the mid-range, rather than low range, estimate of the benefits.

Several non-monetised benefits are also referenced in the analysis, but one notable example is environmental quality improvements. While it is not possible to assess the magnitude of such improvements, New Zealand's natural environment has a high total economic value. In 2020 the overall value of our marine and land-based ecosystems was estimated at between \$520 billion (around 1.6 times GDP) and \$1.8 trillion. Using the most conservative valuation available, even a 1 per cent

improvement in land-based ecosystem services would have a total economic value of \$620 million. Including marine based ecosystem services would increase this to \$5.2 billion.

Other areas of the new RM system are also expected to deliver additional, unquantified environmental benefits. These include a reduction in transport carbon emissions from more efficient land use patterns, through improved spatial planning. Also, in cases of over-allocation of resources, reduced access to resources overall (through reallocation) would deliver further improvements to environmental quality.

Finally, the monetised benefits for the SPA only reflect a subset of the overall expected benefits from the SPA. This is because the monetised benefits ('welfare gains' associated with the SPA/RSSs) relate only to the magnification of some NBA-related benefits. In addition to these monetised benefits, there are a broader set of benefits expected to flow from the SPA, both relating to the NBA and to the influence of RSS on regional land transport plans, council long-term plans and central government investment. These include better strategic alignment of infrastructure funding and investment, reduced externalities, improved transport sustainability, more equitable access to job and service opportunities, and better integrating Māori interests and others.

The scale of the costs and where they are expected to fall

Excluding the one-off establishment costs referred to above, the ongoing process costs are estimated to be lower by around 7 per cent overall (around \$85m annually). Central government and local government costs would increase when compared to the current system, by 112 per cent and 11 per cent respectively. The largest cost savings are for system users – an estimated decrease of 19 per cent or around \$150m per year.

For central government, costs include direct support to iwi and hapū organisations, supporting the model plan process, and additional Ministry for the Environment staff to undertake central functions related to ongoing monitoring of targets and environmental limits.

For local government (regional, territorial and unitary councils) the cost-benefit analysis indicates, with some uncertainty, that the largest additional ongoing cost could be developing and monitoring new economic instruments (\$27m annually). Other larger additional cost estimates for local government include the costs of increased monitoring and enforcement activity (\$18m annually) and reviewing and implementing additional national direction under the National Planning Framework (\$15m annually).

Sector-specific costs have not been fully evaluated for this SAR, including for the primary sector. It is anticipated that impacts for the primary sector and rural economies are likely to be wide ranging, due to objectives of reform to improve environmental outcomes.

The cost-benefit analysis notes that the new resource management system may increase or create some new process costs for system users. For example, if permit terms are shortened in a new allocation regime, permit holders would need to make more applications over a set period. The cost-benefit analysis gives an annual average cost estimate for this (\$61m).

These costs for users do not include opportunity costs from foregone development. However, it is noted that limits and targets, set through the National Planning Framework, will play a critical role in setting boundaries for the use of the natural environment. Limits and targets will have implications for affected communities and businesses (eg, primary industries such as agriculture, horticulture and forestry) who will expect to be confident that limits are founded on quality evidence and technical expertise, including mātauranga Māori and independent advice. The costs and benefits of limits and targets will be the subject of the separate regulatory impact statement that will be prepared at the time National Planning Framework regulations are being made.

Summary of costs of the new resource management system

The costs of the new resource management system are summarised in the table below.

Affected parties	Comment	Impact(\$million)	Evidence certainty
Additional costs of proposed approach compared to taking no action			
Regulated parties: resource management system users	Establishment costs: one-off cost spread over 10 years	\$22m (one-off over 10 years)	Medium
	Ongoing additional process costs: average annual cost over 30 years, and Present value (PV) over 30 years	Average annual cost \$61m PV \$1.005 billion	Medium
Regulators: central government	Establishment costs: one-off cost spread over 10 years	\$492m (one-off over 10 years)	High
	Ongoing additional process costs: average annual cost over 30 years, and Present value (PV) over 30 years)	Average annual cost \$21m PV \$330m	Medium
Regulators: local government	Establishment costs: one-off cost spread over 10 years	\$350m (one-off over 10 years)	Medium
	Ongoing additional process costs: average annual cost over 30 years, and Present value (PV) over 30 years	Average annual cost \$102m PV \$1.635 billion	Medium
System partners: Māori	Establishment costs: one-off cost spread over 10 years	\$57m (one-off over 10 years)	Low
Total monetised cost	Establishment costs: one-off cost spread over 10 years	\$630m excluding cost to iwi/Māori (due to low certainty of costs to Māori) \$687m including cost to iwi/Māori (one-off)	Medium
	Ongoing additional process costs: average annual cost over 30 years, and Present value (PV) over 30 years)	Average annual cost \$184m PV \$2.97 billion	Medium
	Total monetised cost (PV)	\$3.891bn	Medium

Non-monetised costs			
Certainty	Impact of any reduced certainty relating to shorter term consents and the outcome of National Planning Framework decisions yet to be decided. Including, any costs associated with the bringing forward of improved environmental outcomes.	Medium	Low

A range of significant benefits across all key dimensions

The cost-benefit analysis takes account of the key policy shifts in the new resource management system and the benefits those shifts are expected to deliver. Potential benefits, monetised and non-monetised, identified in the cost-benefit analysis include the following.

Natural environment

- Improvements (accruing to all New Zealanders, including future generations) through the introduction of environmental limits, mandatory targets and an outcomes-based approach based on a shared environmental ethic – Te Oranga o te Taiao. This is likely to improve environment quality over time versus the status quo. There is significant scope for beneficial improvements, including expected improvements in soils and biodiversity (non-quantified).

Development

- Spatial planning can better enable the market to respond to housing demand. The new resource management system is expected to reduce the barriers to consenting and to development through increased plan certainty and mandatory regional spatial planning, and to make housing supply more responsive to demand (average annual benefit: \$146m, PV: \$2.2 billion).
- Coordinating infrastructure provision with urban development through regional spatial strategies is expected to generate cost savings. This benefit accrues to central and local governments as well as to households (PV \$200m).

Te Tiriti

- Iwi/Māori would have increased participation in and influence over decision-making in NBA Plans and Regional Spatial Strategies.
- A Treaty clause, as suggested by the Panel, which requires giving effect to the principles of Te Tiriti.
- A te ao Māori concept in the purpose of the legislation (Te Oranga o te Taiao) that, in addition to the natural environment benefits, provides better recognition of te ao Māori at the core of the system.
- Proactive monitoring of Tiriti performance by a national Māori entity.

- Enhancement of the current tools within the RMA (Mana Whakahono ā Rohe, Transfers of Power and Joint Management Agreements), with their legislative barriers removed and a positive obligation added to their use.
- Greater recognition and provision for mātauranga Māori and iwi/Māori outcomes relating to roles as kaitiaki, development aspirations, access to resources and relationships with te Taiao.

Climate and risk

- A significant portion of New Zealand's infrastructure and housing is exposed to climate risk and other natural hazard risks. Regional Spatial Strategies and NBA Plans are expected to focus development into lower risk areas generating significant cost savings for the nation (PV \$3.125 billion).
- More urban development that is well-connected to transport and amenities will facilitate more efficient travel and transport patterns, resulting in reduced carbon emissions (PV \$100m).

System performance

- Enabling resource allocation efficiency gains (eg, better enabling allocation to highest value uses) and better recognition and redistribution of the benefits accruing from the private use of public resources. (eg, through a broader ability to impose resource user charges).
- Reduction in the expected volume of consents and costs of the consenting process.
- Spatial planning at a regional level, which is likely to provide more efficient development, reducing development costs at the margin. Early identification of areas for development and infrastructure needs and less site-by-site decision-making through consents would provide improved housing supply and affordability.

Summary of expected benefits

The table below provides another view of these expected benefits of the new resource management system compared to taking no action.

Expected benefits of the new resource management system compared to taking no action			
Monetised benefits			
Regulated parties: resource management system users	Ongoing reduction in process costs: average annual benefit over 30 years, and Present value (PV) over 30 years.	Average annual benefit: \$210m PV \$3.2 billion	Medium
Regulators: central government	Ongoing reduction in process costs: average annual benefit over 30 years, and Present value (PV) over 30 years.	Average annual benefit: \$2m PV \$28m	High
Regulators: local government	Ongoing reduction in process costs: average annual benefit over 30 years, and Present value (PV) over 30 years.	Average annual benefit: \$59m	Medium

		PV \$904m	
Housing supply	Spatial planning can better enable the market to respond to housing demand. The new resource management system is expected to reduce the barriers to consenting and to development, and to make housing supply more responsive to demand.	Average annual benefit: \$146m PV: \$2.2 billion	Low
Coordinated infrastructure and urban development	Coordinating infrastructure provision with urban development generates significant cost savings. This benefit accrues to central and local governments as well as to households.	Average annual benefit: not calculated PV \$200m	Medium
Improved infrastructure resilience	A significant portion of New Zealand's infrastructure and housing is exposed to climate risk and other natural systems risks. In combination, the National Planning Framework, Regional Spatial Strategies and NBA Plans are expected to focus development into lower risk areas generating significant cost savings for the nation.	Average annual benefit: not calculated PV \$3.125 billion	Medium
Additional welfare gain from having the SPA and Regional Spatial Strategies as well as NBA Plans	Increased certainty of capturing benefits of NBA Plans because of the SPA/Regional Spatial Strategies	Average annual benefit: not calculated PV \$257 million	Medium
Reduced transport carbon emissions	More urban development well connected to transport and amenities will facilitate more efficient travel and transport patterns, resulting in reduced carbon emissions.	Average annual benefit: not calculated PV \$100m	Low
Total monetised benefit	Ongoing reduction in process costs: Present value (PV) over 30 years	PV \$10.039bn	Medium
Non-monetised benefits			
Efficiency: Resource allocation	Potential for efficiency gains (reduced costs and allocation to highest value uses).	Medium	High
Efficiency: Economic instruments	Wider use of economic instruments has potential for minimising costs of environmental improvements through flexibility in response.	Medium	High
Natural environment (accruing to all New	The introduction of environmental limits and a positive, outcomes-based approach is likely to improve environment quality over time versus the status quo. Positive net benefits	High	Lo

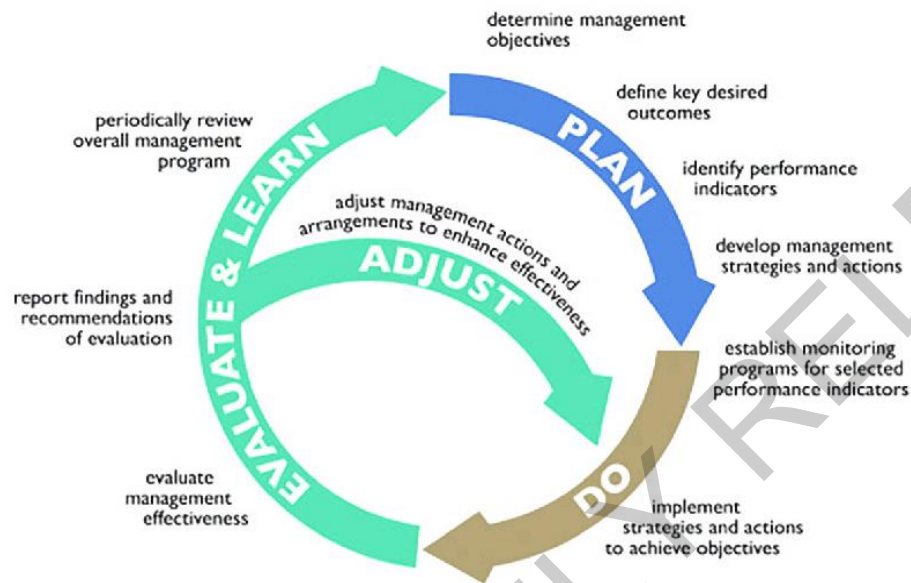
Zealanders, including future generations)	are assumed where cost-benefit analysis accompanies this to justify additional intervention. There is significant scope for beneficial improvements.		
Freshwater, Marine & estuaries	Improved water quality expected to have benefits for active water users (eg, swimmers) and existence values.	Medium	Low
Air quality	Existing cost-benefit analysis suggest positive net benefits if air quality improves.	Medium	Low
Soils	Net benefits expected from comprehensive set of limits covering all aspects of soil quality. Improvements assumed to soil conservation, contaminated soil and protection of highly productive land.	Medium	Low
Biodiversity	Significant benefits expected via national direction under the National Policy Statement-Indigenous Biodiversity. The new resource management system is expected to reinforce this.	Medium	Low
Households, in particular those who are not currently homeowners	Spatial planning at a regional level is likely to provide more efficient development, reducing development costs at the margin. Early identification of areas for development and infrastructure needs and less site-by-site decision-making through consents would provide improved housing supply and affordability.	Medium	Low
System partners: Māori	Iwi/Māori would have increased participation in and influence over decision-making, greater control over outcomes and wider promulgation of ideas and culture, and greater recognition and provision for iwi/Māori outcomes relating to their role as kaitiaki, their development aspirations and their access to resources.	Medium	Low
	There is potential for iwi/Māori participation in the resource management system to be resourced.	Medium	Medium
Total Non-monetised benefits		Medium	Medium

Effective implementation is the key to success

An adaptive management approach to implementation

The key to realising the expected benefits of the new resource management system will be effective implementation and monitoring to inform and direct an adaptive management approach.²

The adaptive management cycle



Source: DIPWE 2014 after Jones 2005, 2009

This recognises that significant impacts of change that will occur over many years may not be evident or attributable to the new system for a long time. However, some early actions and ongoing activities will be important to medium- and longer-term success. **Section 5** of the SAR provides further implementation detail and **section 5.3** includes an analysis of the implementation areas in relation to the reform objectives.

Key participants in this ongoing review and response approach will be Ministry for the Environment as the primary regulatory steward, local authorities as lead implementers and iwi/Māori as system partners. Effective implementation within a reasonable timeframe is being supported by:

- a clear plan with the ability to adapt quickly to new information
- confirmed budget funding that will enable adequate resourcing (funding, people and systems) to ensure capacity and capability are available when it is needed.

² An adaptive management approach in this context refers to a policy evaluation technique, not adaptive management in a climate change management context. Adaptive management is a structured process of learning by doing, and adapting management practices based on what has been learned. It has been defined as: '...flexible decision making that can be adjusted in the face of uncertainties as outcomes from management actions and other events become better understood. Careful monitoring of these outcomes both advances scientific understanding and helps adjust policies or operations as part of an iterative learning process.' (Ministry for the Environment, 2016)

Critical success factors

Transition and implementation planning, and design work around future oversight and monitoring of the resource management system have recognised the key challenges and how implementation risks can be mitigated. Within the context of an adaptive management approach, the transition and implementation work programme for the new resource management system has been designed with the following critical factors in mind.

- **Clarity about the purpose:** the intent of the new resource management system and what must be achieved (transition and implementation objectives) to deliver against that purpose.
- **Partnering and collaboration with affected people and organisations:** recognising, valuing, and actively incorporating their interests, expertise and inputs and enabling them to participate and partner appropriately in the change process.
- **A systems approach:** coordinated, coherent, consistent, and well-integrated to ensure an effective and efficient transition from the old arrangements to the new.
- **Open, consistent communication:** clear, early, and regular messaging about the nature of the new resource management system, change drivers and how the new arrangements are being delivered.
- **Building and maintaining adaptive capability:** enable and sustain the new resource management system through effective leaders, agents of change and other highly skilled people. Operating arrangements that can adapt and adjust over time while maintaining an unwavering focus on the original purpose and intent.
- **Adequate resourcing:** funding and other resources are sustained at levels that enable all necessary establishment and implementation activities to proceed according to plan.

System monitoring and oversight is necessary to ensure there is transparency and accountability for the performance of the system and the delivery of its objectives. The new resource management system will recognise and provide for the following functions to ensure effective system monitoring and oversight.

- **Stronger regulatory stewardship** and operational oversight of the system by central government.
- **Regular government reporting** on the performance of the NBA and SPA.
- **Legislated requirements for central government to respond** to state of the environment and system performance reports.
- **Independent oversight** of system and agency performance to provide accountability and impartial analysis and advice.
- **Mechanisms to monitor** how the system gives effect to the principles of Te Tiriti.
- **A range of powers** for Ministers to intervene and direct the system.

Managing capabilities and collective capacity for change

Due to the significant volume of changes to the status quo involved in the new system, areas of the SPA and NBA will be implemented sequentially to relieve pressure on the capacity and capability across central and local government, and iwi/Māori.

Key aspects of this sequential approach include:

- a 'Model Project' - supporting the first tranche of regions to set up regional planning committees and prepare their Regional Spatial Strategies and NBA Plans. Ministry for the Environment is scaling up its engagement and implementation capacity and capability to support this work.
- the National Planning Framework being introduced in tranches through secondary legislation, with the first Framework expected to be introduced in the House in the second half of 2023
- the establishment of the National Māori Entity.

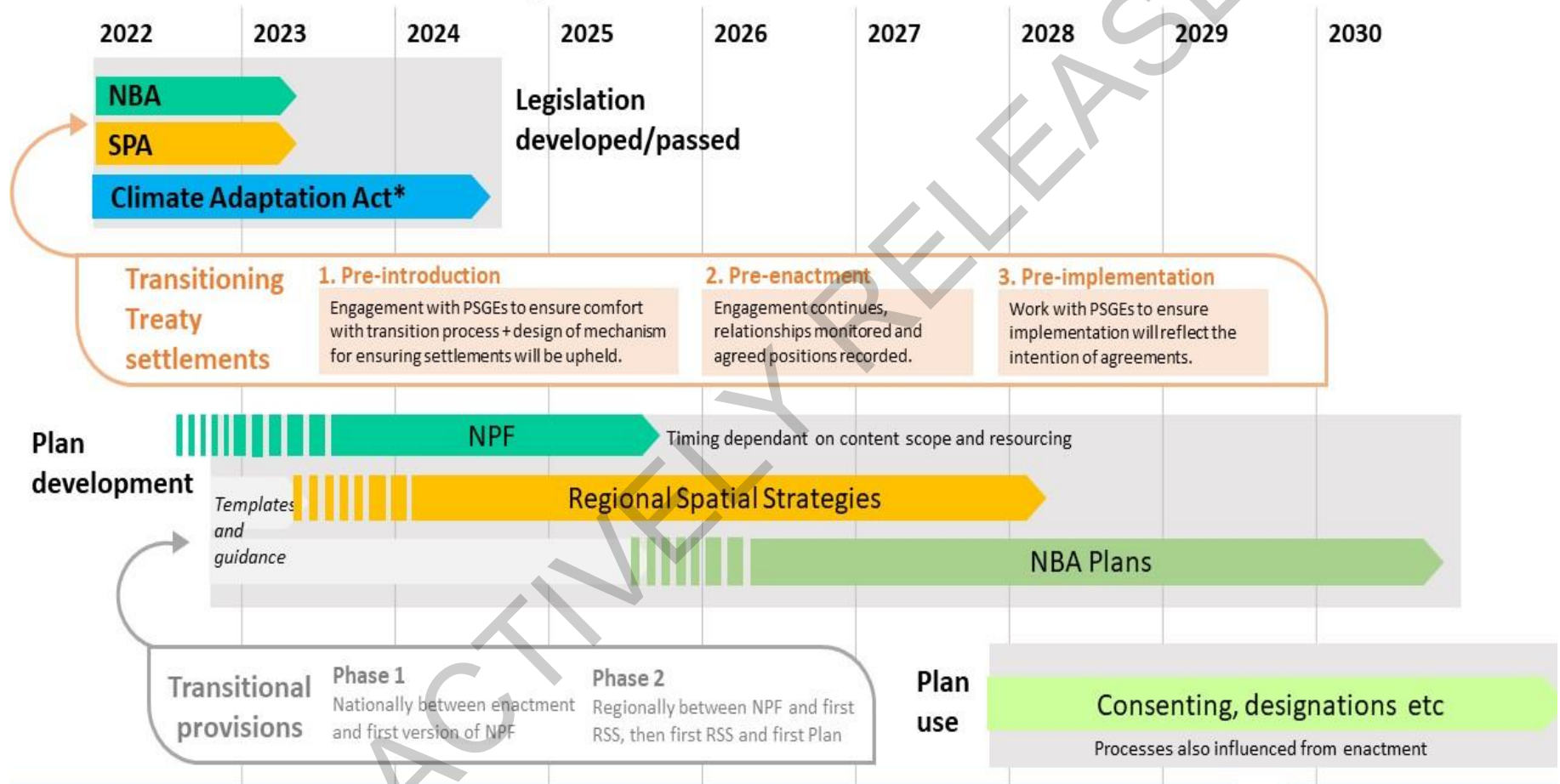
Key implementation areas in relation to reform objectives

The SAR includes an initial assessment of progress towards realising reform objectives and the relationship with key implementation areas, including:

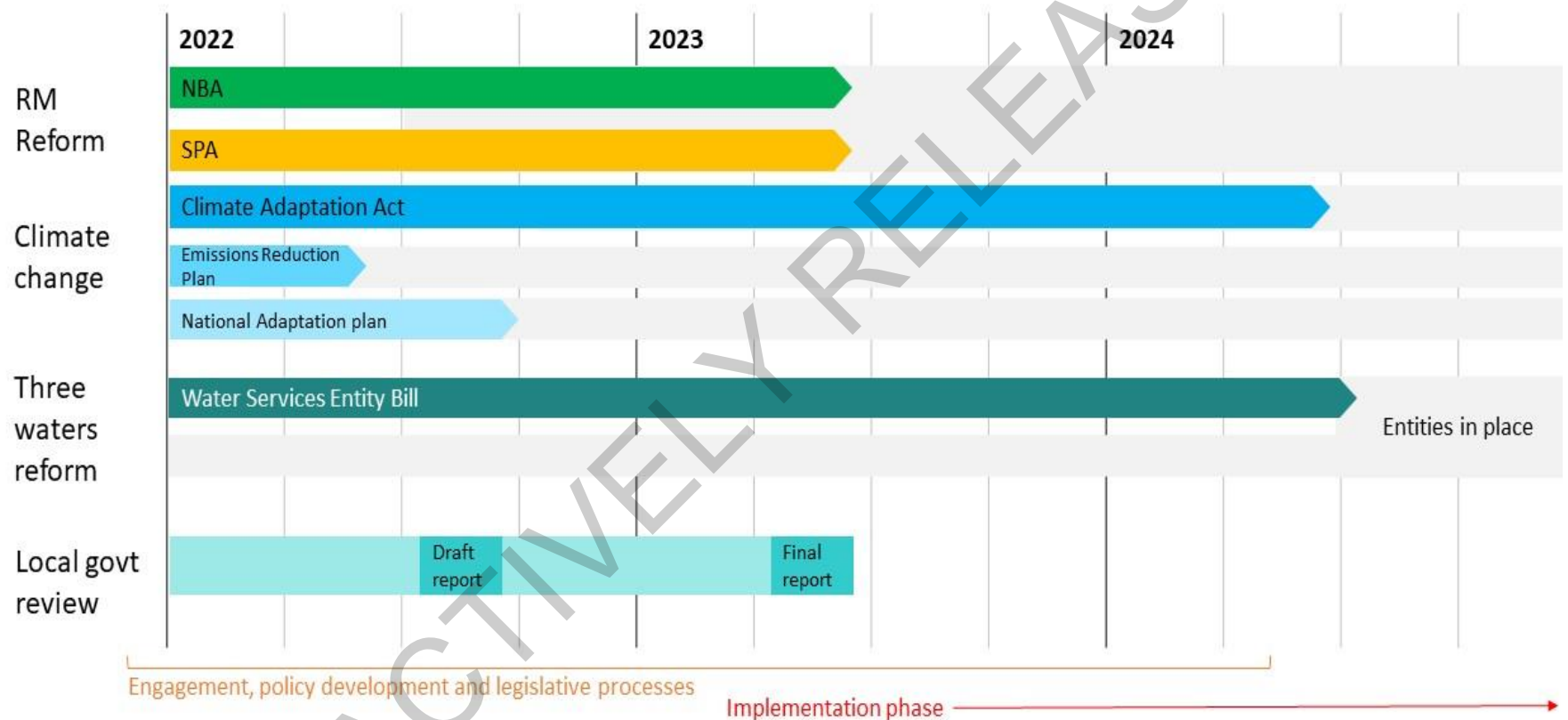
- the provision of appropriate guidance to system decision-makers (eg, regional planning committees) and users, including on Te Oranga o te Taiao and giving effect to the principles of Te Tiriti
- appropriate resourcing for Māori and capacity building of central and local government
- ongoing work to address Māori rights and interests in freshwater and geothermal resources; and to successfully translate existing settlements into the new system
- the National Planning Framework and NBA Plans setting robust limits and targets and content on natural hazard risk reduction and climate change adaptation
- the National Planning Framework and Regional Spatial Strategies informing NBA Plans, including in directing re/allocation approaches
- identifying and mapping relevant areas/places in planning instruments
- accurate, broad and readily accessible environmental monitoring and data
- strong central government oversight of the system and involvement in development of Regional Spatial Strategies

Figures on the following two pages show the indicative transition process and timeframes and alignment with other significant Government reform programmes.

Indicative transition process and timeframes



Alignment with other reform programmes



System stewardship

The new resource management system will be integrated into Ministry for the Environment's regulatory stewardship obligations. Monitoring, evaluation, review and reporting will be developed and altered to:

- provide high quality information to decision-makers about the state of the environment (complementary to the Environmental Reporting Act 2015 reporting)
- highlight whether and how Māori are enabled and supported to partner and participate within the system and if the system gives effect to the principles of Te Tiriti o Waitangi
- support and inform responsive planning and ongoing system improvements
- provide for regular reporting on system performance and effectiveness at achieving long-term objectives and progress being made over time
- provide information to support and enable stronger oversight of system and agency performance, including through independent oversight
- inform and encourage corrective action to be taken where there is evidence of poor outcomes or performance
- highlight and explain how factors outside the system are enabling or inhibiting progress or performance.

The stewardship arrangements will evolve through distinct phases – from the early establishment years through to completion of the transition, and then consolidation and ongoing evolution of the new system.

Further information about system stewardship, monitoring, evaluation, review and reporting can be found in **section 6** of the SAR.