

PROACTIVE RELEASE COVERSHEET

| Title of paper | Resource Management Reform Phase 2 National direction | Date to be published | 13/02/2025 |
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| List of documents that have been proactively released | | | |
|---|---|---|--|
| Date | Title | Author | |
| 26 June 2024 | Resource Management Reform Phase 2 National direction | Hon Chris Bishop, Minister Responsible for RMA Reform | |
| 26 June 2024 | Cabinet Economic Policy Committee Minute of Decision: Resource Management Reform Phase 2 National direction | Cabinet Office | |

Information redacted

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Information in these documents has been withheld under the following grounds:

Yes

- \$9(2)(f)(iv) information is under active consideration by ministers, and
- S9(2)(h) to maintain legal professional privilege.

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In-Confidence

Office of the Minister Responsible for RMA Reform

ECO - Cabinet Economic Policy Committee

Resource Management Reform Phase 2 National direction

Proposal

- 1. This paper seeks Cabinet's agreement to develop and amend Resource Management Act 1991 (RMA) national direction (ND) instruments as part of Phase 2 of the Government's resource management reform (RM reform).
- 2. Specifically, this paper seeks Cabinet agreement to:
 - 2.1. the scope of ND to be developed or amended in Phase 2
 - 2.2. a coordinated work programme (the work programme)
 - 2.3. delegate detailed decisions on policy and process to the Minister Responsible for RMA Reform jointly and/or in consultation with relevant portfolio Ministers.
- 3. It should be read alongside Targeted Resource Management Act amendments to unlock development and drive a more efficient and effective system (the RM Bill 2 Cabinet paper), which seeks Cabinet agreement to progress the legislative components of Phase 2 through targeted amendments to the RMA.

Relation to Government priorities

- 4. The work programme will support a range of Government priorities, including:
 - 4.1. amending the RMA to make it easier to consent new infrastructure, including for renewable energy, building houses, and enhancing the primary sector (2023 Speech from the Throne, Coalition Agreement National Party/New Zealand First, Coalition Agreement National Party/Act)
 - 4.2. Getting Back to Farming by removing unworkable rules and replacing national direction on environmental limits with local control to improve environmental outcomes (National Party policy)
 - 4.3. Infrastructure for the Future/Primary Sector Growth Plan/Faster and Fairer Disaster Recovery (National Party policy)
 - 4.4. Going for Housing Growth Plan to unlock land for housing, build infrastructure and allow communities to share the benefits of growth (National Party policy).

Executive Summary

5. Cabinet agreed to a three-phase work programme for reforming the resource management system [ECO-24-MIN-0022 refers]. I propose to deliver the remainder of Phase 2 of RM reform by mid-2025 through two complementary workstreams:

- 5.1. the RMA amendment Bill 2 (RM Bill 2) will make targeted changes to the RMA. This is the focus of the RM Bill 2 Cabinet paper.
- 5.2. a range of national direction instruments will be developed or amended through a coordinated work programme that integrates engagement and decision-making as much as practicable. **This is the focus of this paper.**
- 6. Together these workstreams will deliver Government priorities to unlock development in infrastructure, housing, and primary industries, and drive a more efficient and effective resource management system (refer Appendix 1).
- 7. I propose developing seven new ND instruments and amending fourteen existing instruments through the national direction work programme¹. I have grouped the instruments into three packages (primary sector, housing, and infrastructure and energy) for key decision-making and process points. This will enable stakeholders to target their involvement to issues that matter most to them. The policy on specific instruments will be progressed in parallel with some early joint work within and between the three packages to align content.
- 8. The process I have proposed will require policy development (informed by targeted engagement) to be completed by October 2024. I intend to return to Cabinet in December 2024 for approval on final policy decisions and to commence statutory consultation. Final Cabinet decisions and gazettal of the instruments would occur in mid-2025.
- 9. I propose that Cabinet agrees the statutory functions under the RMA relating to making ND² be delegated to the Minister Responsible for RMA Reform for the purposes of this work programme. In exercising this delegation, I (and the Minister of Conservation in relation to the New Zealand Coastal Policy Statement 2010 (NZCPS)) will make joint policy decisions with portfolio Ministers for specific instruments (set out in Appendix 2) and will otherwise consult relevant portfolio Ministers.

Background

- 10. 'National direction' is a term used to describe a range of regulatory instruments that provide central government direction to support local decision-making under the RMA. As it directs local government actions, national direction can often be used to bring about more immediate change to the resource management system than can be achieved through primary legislation. National direction includes national policy statements (NPS), national environmental standards (NES), national planning standards, and section 360 regulations.
- 11. In March 2024, I advised of my intention to take a three-phased approach to reforming the resource management system [ECO-24-MIN-0022-refers]. This combined national direction process fits into the second of these phases:
 - 11.1. Phase 1: repeal the Natural and Built Environment Act 2023 (NBA) and Spatial Planning Act 2023 (SPA) (now complete)
 - 11.2. Phase 2: introduce a fast-track consenting regime within the first 100 days (now complete), make targeted legislative changes to the RMA in 2024, develop new,

 $^{^{1}}$ s 9(2)(f)(iv)

² Section 24 of the RMA sets out the functions, powers and duties of the Minister for the Environment as they relate to developing national direction.

- or amend existing, national direction under the RMA, and implement the Going for Housing Growth work package
- 11.3. Phase 3: replace the current RMA with new resource management legislation based on the enjoyment of property rights, while ensuring good environmental outcomes.
- 12. I advised I would report back to ECO on the approach and timeframes for this work [ECO-24-MIN-0022 refers] which is the purpose of this paper.
- 13. Cabinet agreed to include amendments to speed up the process to develop or amend national direction through RM Bill 1 [CAB-24-MIN-0121.01 refers]. These amendments were introduced to Parliament in May 2024, with Royal Assent anticipated in November 2024, in time to be applied to this proposed national direction work programme.

Scope of work programme

- 14. A clear and carefully managed scope is essential to ensure the national direction component of Phase 2 can be delivered by mid-2025. I propose to develop seven new national direction instruments and amend fourteen existing ones.³ Cumulatively, these changes will help to drive a more efficient and effective resource management system and unlock development in infrastructure, housing and primary industries.
- 15. The instruments included cover a wide range of topics, and the work programme is likely to be one of the single biggest changes to national direction ever delivered. This broad scope provides an opportunity to make significant improvements to the resource management system ahead of more fundamental reform delivered through Phase 3.
- 16. The following assessment criteria was applied and tested by the RMA Reform Ministerial Group (RRMG) to inform decisions on the proposals to progress through RM Bill 2 and the national direction work programme:
 - 16.1. coalition commitments/National Party manifesto items
 - 16.2. timing of impact
 - 16.3. transferability into a future system
 - 16.4. level of complexity
 - 16.5. and 'least regrets' (i.e. the proposal aligns with the direction we expect to take in Phase 3 RMA reform).

Packaging policy proposals

17. I propose to group the proposals into three 'packages' for key decision-making and process points so stakeholders can effectively target their involvement in this process to issues that matter most to them. Each package includes several ND instruments and is broadly aimed at achieving different Government priorities. The packages will also help to ensure related policy settings are aligned.

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³ s 9(2)(f)(iv)

- 18. The three proposed packages are:4
 - 18.1. **Primary sector** proposals intended to better enable primary sector activities. This package includes proposals relating to freshwater, indigenous biodiversity, commercial forestry, and marine aquaculture
 - 18.2. **Housing and urban development** proposals intended to promote housing in the right places. This package includes proposals relating to urban development, heritage, highly productive land and natural hazards
 - 18.3. **Infrastructure and energy** proposals aimed at better enabling infrastructure and delivering national direction aspects of the 'Electrify NZ' initiative. This package includes proposals relating to infrastructure, renewable energy, transmission and telecommunication.
- 19. There are links between instruments in these three packages. For example, the proposed infrastructure national direction should complement the NPS-Urban Development in the housing package, and it may require amendments to the NPS-Freshwater Management, which is otherwise in the primary sector package. Natural hazards and freshwater are other examples of topics that will have implications wider than their immediate package. Progressing the packages in parallel will help support greater integration and policy coherence across the instruments.
- 20. Further detail on the three packages and the specific instruments included in them is provided in Appendix 2.

Managing scope

- 21. I have proposed an ambitious work programme that has been scaled to be delivered within tight timeframes. I do not consider that more can be added into the scope without compromising the overall ability to deliver.
- 22. As the breadth of proposals within scope is broad, complex and potentially controversial, there is a risk that work on any one instrument could encounter unforeseen difficulties or delays. In this event, it is important that delivery of the overall package is not compromised.
- 23. To protect against this, I will monitor progress and report to Cabinet by December 2024 if any adjustment to scope is needed to ensure overall delivery of the work programme. Where specific proposals are encountering significant delays, they may need to be progressed on a separate track.

| 24. | s 9(2)(f)(iv) |
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4 s 9(2)(f)(iv)

Process and timeframes

Statutory process

- 25. National direction instruments are secondary legislation, with statutory requirements for developing and amending them. I propose to progress the work programme using the Minister-led process set out in section 46A(3)(b) of the RMA.⁵
- 26. This process requires evaluation of policy options, formal consultation with the public and iwi authorities, and a report and recommendations to inform final decisions. I also note that there are specific obligations upon the Crown to engage with particular iwi on the development of national direction in their Treaty settlements.

Policy development phase (July to October 2024)

- 27. All substantive policy development needs to be completed by the end of October 2024 to meet the work programme timeframes. Policy development on the specific instruments will be progressed in parallel by teams from relevant agencies, with oversight and coordination by the Ministry for the Environment. The proposals (and associated products such as regulatory impact and Treaty impact assessments and public consultation material) will then be brought together into the three packages ahead of Cabinet decisions in December 2024.
- 28. Key milestones needed to deliver the work programme by mid-2025 are summarised in Appendix 5.

Policy integration

- 29. The work programme I have proposed covers a range of topics with varying levels of interdependencies between them. There are also inconsistencies and conflicts between some existing instruments, as a result of both the inherent tensions within the system and the ad hoc way that national direction has historically been developed.
- 30. Combining work on the national direction instruments into a programme with coordinated consultation and decision-making processes will provide an opportunity to address the most critical inconsistencies and conflicts, and to develop complementary direction in some areas. This may require Ministers to make some early decisions on key policy choices.
- 31. I expect officials from the Ministry for the Environment to work with agencies to take advantage of opportunities to improve integration across the policy proposals, where practicable within the given scope and timeframes.

Decision-making

32. This programme will require a coordinated and effective decision-making approach. The Minister for the Environment currently has statutory responsibilities for developing national direction under the RMA, with the exception of the NZCPS, which is the

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⁵ Note this is being streamlined through RMA amendment Bill 1, which will be enacted later this year. Officials will work to ensure that Bill 1 includes any transitional arrangements needed to ensure that work done on the national direction work programme prior to Bill 1 being enacted is still valid for the purposes of the amended process.

- responsibility of the Minister of Conservation. The Minister Responsible for RMA Reform has responsibility for strategic decision-making for RM reform.
- 33. I am seeking Cabinet's approval for delegation of the statutory functions under the RMA for making national direction (usually held by the Minister for the Environment) to me, the Minister Responsible for RMA Reform, for the purposes of this work programme. This will give me final decision-making responsibility for both policy and process (with the exception of the NZCPS, for which the Minister of Conservation retains statutory responsibility).
- 34. The Minister Responsible for RMA Reform will make policy decisions on specific instruments jointly with Ministers who have direct portfolio interests in those instruments. A wider group of Ministers will be consulted on decisions relevant to their portfolios (as set out in Appendix 3).
- 35. I will outline where further decisions have been made under delegation when I return to Cabinet in December, ahead of public consultation.

Targeted engagement

36. As part of the policy development phase, I expect officials to test initial policy proposals with Treaty partners and relevant stakeholders through targeted engagement. I intend to coordinate this with the engagement on developing RM Bill 2 (from June to September 2024). This engagement is proposed to ensure that obligations under Treaty settlements and other related legislation⁶ are upheld, to help socialise policy as it is developed, and identify any potential implementation issues.

Formal consultation (early 2025)

- 37. The statutory process to develop or amend national direction requires notice of the proposals to iwi and the public with adequate time and opportunity to make submissions.⁷ Formal consultation is proposed in early 2025 to allow enough time for policy development and still meet the timeframes for Phase 2.
- 38. Consulting on the large number of policy proposals to be delivered through Phase 2 will be challenging for stakeholders. I propose that consultation is carried out on each of the three packages, rather than the work programme as a whole. Material prepared to support consultation will need to draw attention to policy linkages between the packages as well as within them, to help ensure submitters are aware of how the proposals fit together and their cumulative impact.
- 39. I will be receiving advice from officials on a proposed approach to formal consultation. I propose that Cabinet delegate decision-making to me on this and any further process decisions that might be required to deliver the work programme. I will consult with relevant portfolio Ministers when making these decisions, to ensure the approach is fit for purpose for the range of instruments included in the work programme.

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⁶ Some Treaty settlements and related legislation require the Crown to engage with post-settlement governance entities in developing or changing national direction. The Marine and Coastal Area (Takutai Moana) Act 2011 also requires the Minister of Conservation to consult all Coastal Marine Title groups on any changes to the NZCPS.

⁷ Section 46A(4) of the RMA

Drafting

- 40. The work programme I propose includes both NPS and NES. There are procedural differences in the way these instruments must be drafted.
- 41. NES are regulations made by Order in Council by the Governor-General,⁸ and therefore need to be drafted by the Parliamentary Counsel Office (PCO). They generally contain more technical detail than NPS and require a high degree of policy certainty and Cabinet approval before drafting can begin. In contrast, NPS can be drafted by officials without the need for PCO involvement.
- 42. This means that drafting of NPS can begin as delegated decisions are made, in advance of Cabinet decisions in December. NES drafting will likely need to occur after Cabinet decisions on the detailed proposals in December. The timing options for drafting NES will be clearer once the policy is further advanced and I will report back to Cabinet in December on this.

Implementation

- 43. Relevant agencies have worked together to develop a proposed scope for the combined national direction package that can be delivered by mid-2025.
- 44. The following agencies have joint responsibility for proposals included within scope of this process: the Ministry of Business, Innovation & Employment, the Department of Conservation, the Ministry for Housing and Urban Development, the Ministry for Primary Industries, the New Zealand Infrastructure Commission (Te Waihanga), and Te Puni Kōkiri. Policy proposals included within the programme will be supported more broadly by other agencies, including the Ministry of Transport, Ministry for Culture and Heritage, the Public Health Agency, and Land Information New Zealand.

Legal Implications

| 45. | s 9(2)(h) |
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Cost-of-living Implications

46. There are no direct cost-of-living implications associated with this paper.

Financial Implications

- 47. Agencies are expected to meet costs of this work, along with the wider resource management reform work programme from within baselines.
- 48. In terms of specific funding for resource management reform:

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⁸ Section 43(1) of the RMA

⁹ s 9(2)(h)

- 48.1. Environment funding of \$301m over four years for implementation of previous resource management reforms was returned in the December 2023 mini Budget
- 48.2. new Environment funding of \$92.235m over four years for RM reform replacement was agreed in Budget 2024. This was at the scaled initiative level and did not include funding for implementation.
- 49. The resource management reform work programme includes the Fast-track Approvals Bill, RMA amendment Bills 1 and 2, the national direction work programme and Phase 3 replacement of the RMA. Delay or complication in any one area of the work programme may impact delivery in others.
- 50. The work programme will need to be tightly managed. Ongoing prioritisation decisions may be needed to deliver RM Bill 2 and the national direction work programme as scoped in this paper and the RM Bill 2 Cabinet paper alongside other resource management commitments.

Legislative Implications

51. This paper is initiating a process that will result in changes to secondary legislation. A regulatory impact assessment will be provided once policy proposals have been developed.

Impact Analysis

Regulatory Impact Statement

52. Cabinet's impact analysis requirements apply to the proposals in this paper, but there is no accompanying Regulatory Impact Statement and the Ministry for Regulation has not exempted the proposals from the impact analysis requirements. Therefore, the paper does not meet Cabinet's requirements for regulatory proposals. When Cabinet approves discussion documents for this programme of work later in 2024, the documents for release should contain adequate impact analysis to support Cabinet's decision to release them, including a problem definition.

Treaty of Waitangi Impacts

- 53. I anticipate the proposed changes to national direction will interact with Māori rights and interests both generally (including under articles 2 and 3 of The Treaty) and as recognised and provided for under the RMA and in Treaty settlements. Detailed analysis of Treaty impacts will be provided in relation to specific policy proposals when Cabinet approval is sought for notification (including through the RIS).
- 54. Engagement ahead of iwi and public consultation, including as required by Treaty settlement agreements and legislation, will need to factor in the capacity of Māori to engage, and allow sufficient time for a meaningful contribution. A specific iwi, hapū, Māori engagement plan will be developed. This engagement will be co-ordinated where possible with other engagement planned with Māori. Engagement with both the lwi Leaders Group and Te Tai Kaha for feedback on policy proposals ahead of public consultation is anticipated.

Climate Implications of Policy Assessment

55. A Climate Implications of Policy Assessment is not required for this paper, which focuses on the approach and timing for a combined national direction process. Once policy proposals have been confirmed, this may be a consideration when I return to Cabinet in December 2024.

Population Implications

56. Improvements to national direction delivered through this work programme should result in a more efficient and effective resource management system that will benefit all New Zealanders. Implementation of this work programme will need to closely consider its potential impact on populations and communities, including on Māori.

Human Rights

57. There are no direct human rights implications resulting from this paper. Consistency with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993 will be assessed as the work programme is implemented and through further Cabinet decisions.

Use of External Resources

58. Three contractors (under contracts of less than 12 weeks) have been used as surge resource across the wider RM reform programme (e.g. for basic numerical analysis of high volumes of submissions on legislation). Specialised technical expertise may be needed for specific aspects of the work going forward. It is otherwise not intended that external resources will be required to further develop, implement, or deliver this work.

Consultation

- 59. Officials from the Ministry for the Environment have worked collaboratively with the agencies responsible for the policy proposals, and relevant portfolio Ministers to determine the scope of the proposed process. The scope of the proposed process, and RM Bill 2 was discussed by the RRMG on 22 May 2024.
- 60. The following agencies were provided with a short period to review the content of this paper: the Department of Prime Minister and Cabinet; the Treasury; Ministry of Housing and Urban Development; Department of Internal Affairs; Ministry of Transport; Department of Conservation; Office for Māori Crown Relations: Te Arawhiti; Ministry for Primary Industries; Ministry for Culture and Heritage; Ministry of Business, Innovation and Employment; Ministry of Health; and New Zealand Infrastructure Commission (Te Waihanga).

Communications

61. Subject to Cabinet approval of the proposals in this paper, I intend to release a press statement on the proposed national direction process.

Proactive Release

62. I intend to delay release of this paper beyond the 30 business days of decisions being confirmed by Cabinet, to align with RM Bill 2's introduction into the House. Release of

the paper will be subject to redaction as appropriate under the Official Information Act 1982.

Recommendations

The Minister Responsible for RMA Reform recommends that the Committee:

- **note** that the Government is taking a three-phased approach to reform of the resource management system and this work fits into the second of these phases
- 2 **note** that Cabinet agreed that the second phase of resource management reform would include developing or amending national direction to unlock development and investment in infrastructure and primary industries while achieving good environmental outcomes [CAB-24-MIN-0069 refers]
- note that Cabinet is also receiving advice in parallel to this paper, to introduce a second Resource Management Act amendment Bill (RM Bill 2) in late 2024, which delivers targeted amendments to the Act

Scope of the national direction programme

- 4 **note** that proposals were assessed by the Resource Management Act Reform Ministerial Group for inclusion within this work programme on the basis of whether they met coalition commitments/National Party manifesto items, timing of impact, will transfer well into a future system and level of complexity
- 5 **note** that proposals included within scope have been proposed on the basis they have been resourced and can meet the proposed timing for the process
- **agree** the scope of the national direction work programme will be delivered through three packages that will include the primary sector, housing and urban development, and infrastructure/energy
- agree (subject to recommendations 8 and 9) that the scope of the national direction work programme will include targeted amendments to fourteen existing, and the creation of seven new, national direction instruments (bundled into the three packages in recommendation 6) as set out in Appendix 2
- 8 **note** the high-level scope of the amendments is set out in Appendix 2 and detailed policy decisions will be made by delegated Ministers as proposed in recommendation 13
- 9 s 9(2)(f)(iv)

Process and timeframes

- agree the work programme will involve the packages being progressed in parallel and then brought together for key decision making and process points. This will be delivered through the following approach:
 - 10.1 policy development for all proposals, including any targeted engagement, will be completed by October 2024

- 10.2 Cabinet decisions on scope of policy proposals and public consultation details in December 2024
- 10.3 formal iwi and public consultation to begin in late January/early February 2025
- 10.4 Cabinet decisions on policy proposals followed by gazettal of national direction in mid-2025
- agree to delegate to the Minister Responsible for RMA Reform the authority to make decisions pursuant to section 24 of the Resource Management Act for developing national direction, so far as they relate to the delivery of phase 2 of resource management reform, except for decisions related to the New Zealand Coastal Policy Statement, which are to be made by the Minister of Conservation in consultation with directly relevant portfolio Ministers
- note that the effect of recommendation 11 is that the Minister Responsible for RMA Reform is the final decision-maker on overall matters of policy (with the exception of the New Zealand Coastal Policy Statement) and process for the instruments included in the work programme. In exercising this delegation, the Minister Responsible for RMA Reform will consult with relevant portfolio Ministers as needed
- agree that the Minister Responsible for RMA Reform will make policy decisions jointly with relevant portfolio Ministers for the specific topics set out below:
 - 13.1 for matters relating to freshwater, with the Minister for Agriculture, Minister for Crown Māori Relations, Associate Minister of Agriculture, and the Associate Minister for the Environment
 - 13.2 for matters relating to stock exclusion regulations, with the Minister of Agriculture, the Associate Minister of Agriculture, and the Associate Minister for the Environment
 - 13.3 for matters relating to drinking water regulations and indigenous biodiversity, with the Associate Minister of Agriculture, and the Associate Minister for the Environment
 - 13.4 for matters relating to commercial forestry, with the Minister of Forestry
 - 13.5 for matters relating to marine aquaculture, with the Minister for Oceans and Fisheries
 - 13.6 for quarrying and mining, with the Minister for Resources
 - 13.7 for matters relating to urban development and enabling granny flats, with the Minister of Housing in accordance with Cabinet's previous decision [refer CAB-24-MIN-0211]
 - 13.8 for matters relating to papakāinga, with the Minister for Housing, Minister for Māori Development and Associate Minister for Housing
 - 13.9 for matters relating to highly productive land, with the Minister for Housing and Minister of Agriculture
 - 13.10 for matters relating to heritage, with the Minister of Housing, Minister for Arts, Culture and Heritage, and the Minister for Building and Construction

- 13.11 for matters relating to infrastructure, with the Minister for Infrastructure and the Parliamentary Under-Secretary to the Minister for Infrastructure and Minister Responsible for RMA Reform
- 13.12 for matter relating to telecommunication facilities, with the Minister for Media and Communications and consult with the Parliamentary Under-Secretary to the Minister Responsible for RMA Reform
- 13.13 for matters relating to renewable electricity generation and electricity transmission, with the Minister for Energy and the Minister of Transport
- 13.14 for all other policy decisions relating to proposals in this Cabinet paper relating to minor or technical changes required to ensure achievability of the national direction programme, the Minister Responsible for RMA Reform will consult with the directly relevant portfolio Ministers. This includes removing proposals from the programme that risk delaying the overall delivery
- agree detailed policy decisions will be made in consultation with the relevant portfolio Ministers (following advice from officials) as set out on Appendix 3
- note Cabinet agreement is being sought on 24 June 2024 that decisions relating to the Going for Housing Growth package are to be made by the Minister for Housing and the Minister Responsible for RMA Reform

Engagement

- note the national direction work programme will require a public and iwi consultation process that requires adequate time and opportunity for submissions
- agree that targeted engagement with groups representing local government, infrastructure development, industry, environmental and human health interests, Post-Settlement Governance Entities, and Māori/iwi more generally, will be undertaken ahead of final Cabinet decisions on proposals to be included in the national direction process
- note that some national direction proposals engage obligations under Treaty Settlements and other legislative arrangements, and officials will work with relevant Post-Settlement Governance Entities and other iwi, hapū, and Māori groups to ensure any impacts on these settlements/arrangements are addressed appropriately

Other matters

- agree to delay the release of this paper to coordinate with the release of the Cabinet paper for RM Bill 2
- note regulatory impact analysis will be produced by the Ministry for the Environment for all policy proposals. This analysis will be provided when I return to Cabinet in December 2024
- 21 **note** costs of progressing further work on Phase 2 of the Resource Management Act reform programme will be met from within current agency baselines

Authorised for lodgement

Hon Chris Bishop

Minister Responsible for RMA Reform

Appendices

Appendix 1: Joint overview of Targeted Resource Management Act amendments to unlock development and drive a more efficient and effective system and Resource Management Reform Phase 2: National direction

Appendix 2: National Direction Work Programme

Appendix 3: Indicative Ministerial Groupings for Delegated Decisions on National Direction Package

Appendix 4: National Direction Proposal: Further Detail on Legal Risks

Appendix 5: Key Milestones for the National Direction Proposal

RESOURCE MANAGEMENT REFORM – PHASE 2 PRIORITIES + VEHICLES

Phase 2 will progress targeted amendments through RM Bill 2 and national direction to deliver objectives for Electrify NZ, Infrastructure for the Future, Going for Housing Growth and Primary Sector Growth Plan

| | Infrastructure (including energy) | Housing | Farming & primary sector | Emergencies and natural hazards | System improvements/ other |
|-----------------------|--|---|---|---|--|
| RM Bill 2 | Default consent duration of 35 years for renewable electricity and long-lived infrastructure. Reduce consent and re-consenting processing time for renewable energy and other activities (ie, within 1 year). Longer lapse period for renewable energy/other infrastructure consents Amend consent information. requirements/requests and support decision makers in making effective consent conditions Extend default lapse period for designations from 5 to 10 years. Extend designation (requiring) authority status to Kāinga Ora, identified community housing providers, ports and emergency services. Remove or simplify alternatives test, and reduce assessment and information requirements. Extension of certain coastal permits for port companies by 20 years. | Councils to demonstrate compliance with the 30 year Housing Growth Targets. A process to allow Tier 1 councils to opt-out from implementing the Medium Density Residential Standards (MDRS) into relevant residential zones. Processes for councils that have not yet completed their MDRS and National Policy Statement on Urban Development related plan changes. Providing central government with new powers relating to compliance with housing and business. development capacity assessments. Exploring additional intervention powers to support implementation of the Going for Housing Growth plan. | Reducing regulatory overlap between the RMA and Fisheries Act 1996. Efficient consent processing for wood processing facilities and other activities (ie, within 1 year). Update consents in an efficient manner (including marine farm consents) Improving freshwater farm plans. | Improvement to emergency provisions, including a new regulation making power for emergency responses. Ability to decline landuse consents, or attach conditions, where there are significant risks of natural hazards. Rules relating to natural hazards have immediate legal effect (from notification). | Heritage management. Efficient cost-recovery by local authorities. Targeted improvements to compliance and enforcement. Technical improvements to DOC functions to manage discharges, compliance and enforcement. |
| National direction | Amendments to NPS-Renewable Electricity Generation, NPS-Electricity Transmission and NES-Electricity Transmission Activities (including distribution), and NES-Telecommunications Facilities. Further advice on how to deliver the remaining elements of Electrify NZ and Infrastructure commitments. Targeted new national direction for Infrastructure (including standards). Enabling quarrying. Amendments to NZ Coastal Policy Statement. | Amendments to NPS-Urban Development and NPS-Highly Productive Land. New national direction for housing targets, granny flats and papakāinga. | Amendments to NPS- Freshwater Management and NES-Freshwater, NPS- Indigenous Biodiversity, NES-Commercial Forestry, NES-Drinking Water, NES- Marine Aquaculture and Stock Exclusion Regulations. New national direction for Water Storage. | New national direction for Natural Hazards. New national environmental standards for heritage (bundled into the Housing package). | Rectifying existing and preventing further policy misalignment through a coordinated approach (where practicable). |

Appendix 2 – National Direction (ND) Work Programme

Table 1 – Proposed scope for combined ND work programme, for completion by mid-2025

| Instrument | Objective for changes to ND instrument | Scope |
|--------------------------------|---|---|
| Primary Sector | | |
| NPS and/or NES Freshwater | Responds to manifesto and/or coalition agreements in relation to freshwater | Scope of amendments to National Policy Statement for freshwater management (NPS-FM) and National Environmental Standards for freshwater (NES-FW) to be confirmed. Expect targeted amendments to be completed through this combined ND package s 9(2)(f)(iv) s 9(2)(f)(iv) - enabling vegetable growing s 9(2)(f)(iv) |
| | | Enable on-farm water storage (i.e. as a permitted activity under the RMA, or otherwise) |
| Stock Exclusion Regulations | Make rules more responsive to local conditions | Tie stock exclusion rules to local conditions to limit unintended consequences Replace nationwide low-slope maps with catchment-level rules that are more consistent with local conditions |

| Instrument | Objective for changes to ND instrument | Scope |
|--------------------------------|---|---|
| NES Drinking Water | Clarify what, where and how the current NES-DW is intended to be applied Simplify the implementation of source water protection for regional councils working within this sector Take a risk-based approach to regulation | s 9(2)(f)(iv) |
| NPS Indigenous Biodiversity | Make national direction more enabling for quarrying and mining Responds to coalition commitment to review the operation of SNAs | Applying consistent and defined tests for extractive activities across the NPS-FM, NPS-HPL and NPS-IB Amendments to significant natural areas (SNA) provisions in the NPS-IB |
| NES Commercial Forestry | Remove regulatory burden and uncertainty for the commercial forestry sector | Reverse changes, which increased council discretion for afforestation Repeal National Environmental Standards for Commercial Forestry (NES-CF) clause 6(4A) and modify or repeal NES-CF clause 6(1)(a) Review of slash settings |
| NES Marine Aquaculture | Support innovation in the aquaculture industry and maximise growth potential | Amend to increase flexibility to innovate, improve management of existing marine farms and make minor and technical amendments |

| Instrument | Objective for changes to ND instrument | Scope |
|-------------------------------|---|---|
| Housing and urb | oan development | |
| NPS Highly Productive Land | s 9(2)(f)(iv) | s 9(2)(f)(iv) |
| NPS Urban Development | Removing barriers to urban development planning and delivering housing s 9(2)(f)(iv) | Set requirements for housing growth targets Enable better spatial planning by aligning Future Development Strategy requirements with housing growth objectives Change the responsiveness policy to better enable developers to bring forward areas of growth Strengthen the intensification provisions Better enable mixed use development Better manage outcomes for heritage buildings |

| Instrument | Objective for changes to ND instrument | Scope |
|--|---|---|
| Enabling 'granny flats' | Enable 'granny flats' to be built more easily | Potentially include direction on enabling 'granny flats' |
| Enabling Papakāinga (new) | Require that each district plan contain provisions to enable Papakāinga housing | New national direction for Papakāinga |
| s 9(2)(f)(iv) | s 9(2)(f)(iv) | |
| Natural Hazards National Direction (new) | Provide a comprehensive, nationally consistent planning framework for addressing the risks from natural hazards under the RMA. It will provide direction on identifying \$9(2)(f)(iv) natural hazards, assessing risks posed by natural hazards and \$9(2)(f)(iv) | Develop new direction for natural hazards that applies to all natural hazards. It may consist of National Policy Statement (NPS) and National Environmental Standards (NES) |

| Instrument | Objective for changes to ND instrument | Scope |
|--------------------------|---|--|
| Infrastructure/e | nergy | |
| NES Telco Facilities | NES-TF updates are required to keep up with technological and built environment changes. Updating NES-TF would give telecommunications providers certainty when making investment plans and reduce consenting costs for telecommunications infrastructure delivery. In turn, this supports the Government's goals of housing supply and economic growth | Update the maximum pole heights in residential areas to reflect requirement for Medium Density Residential Development through the NPS-UD Update cabinet sizes in residential areas to support infrastructure resilience and the roll out of 5G technology Update antenna dimensions (eg, size and height) to reflect 5G technological developments and to avoid larger radio frequency fields from entering the public domain Consider the expansion or amendment of some permitted activities under the NES-TF, in particular to accommodate temporary facilities or emergency activities |
| NPS Infrastructure (new) | Ensure that RM decisions sufficiently and more consistently enable the development, operation, maintenance s 9(2)(f)(iv) of infrastructure while managing its effects across a range of natural environments Reduce consenting costs and timeframes | NPS s 9(2)(f)(iv) to provide consistent consenting pathways for enabling the development, operation, maintenance and upgrade of infrastructure while managing its effects across a range of natural environments s 9(2)(f)(iv) |

| Instrument | Objective for changes to ND instrument | Scope |
|--|--|--|
| NPS Renewable Electricity Generation NPS Electricity Transmission s 9(2)(f)(iv) | Better enable REG and ET activities to support climate transition and resilience \$ 9(2)(f)(iv) Support consenting of renewable electricity generation and electricity transmission and distribution \$ 9(2)(f)(iv) | New content for National Policy Statement for renewable electricity generation (NPS—REG) New content for National Policy Statement for electricity transmission (NPS-ET) s 9(2)(f)(iv) |
| NES Electricity Transmission Activities | s 9(2)(f)(iv) | Amendments to NES-ETA |

[IN-CONFIDENCE]

| Instrument | Objective for changes to ND instrument | Scope |
|------------|--|---------------|
| NZCPS | s 9(2)(f)(iv) | s 9(2)(f)(iv) |
| | | |
| | | |
| | | |
| | | |

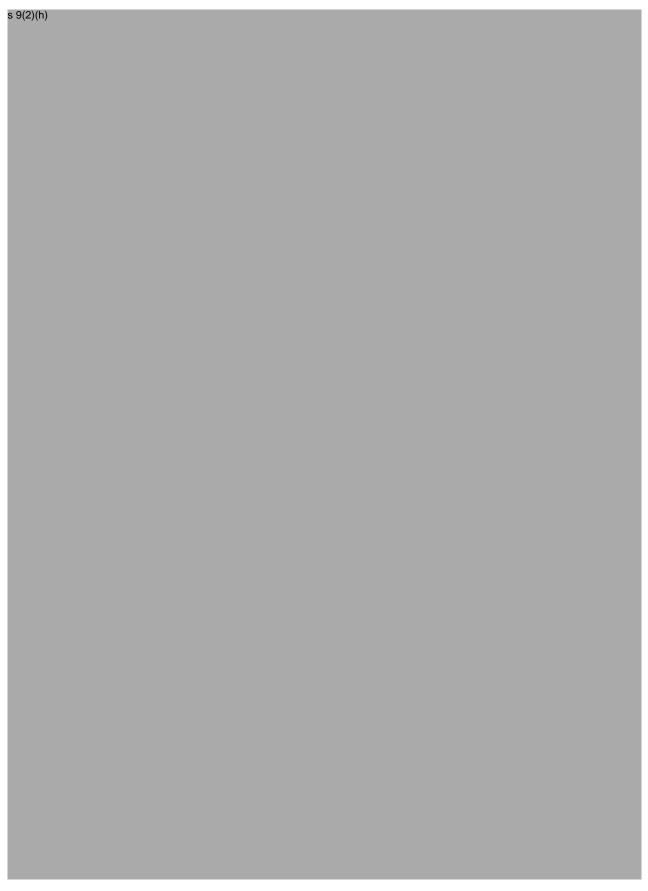
Appendix 3: Ministerial Groupings for Delegated Decisions on National Direction Package

| | | Decision-maker | Consulted Ministers \ Under- Secretary | |
|------------------------------------|--|--|--|--|
| Overall national direction program | Co-ordination and integration across individual instruments | Minister Bishop (Responsible for RMA Reform) | As below | |
| Instruments | Formal decision process | Minister Bishop (Responsible for RMA Reform) as final decision-maker on instruments | As below | |
| Policy area | Instrument | Policy leads | Consulted Ministers \ Under- Secretary | |
| Primary industries | National Policy Statement for Freshwater Management (NPS-FM) National Environmental Standards for Freshwater (NES-FM) | Minister Bishop (Responsible for RMA Reform) Minister McClay (Agriculture) Minister Potaka (Crown Māori Relations: Te Arawhiti) Minister Hoggard (Associate Agriculture, Associate Environment) | Minister Simmonds (Environment) Minister Patterson (Rural Communities, Associate Agriculture) Under Secretary Simon Court (RMA Reform) | |
| | Stock Exclusion Regulations | Minister Bishop (Responsible for RMA Reform) Minister Hoggard (Associate Agriculture, Associate Environment) Minister McClay (Agriculture) | Minister Potaka (Crown Māori Relations: Te Arawhiti) Minister Simmonds (Environment) Minister Patterson (Rural Communities, Associate Agriculture) | |
| | National Environmental Standards for sources of human drinking water (NES-DW) | Minister Bishop (Responsible for RMA Reform) Minister Hoggard (Associate Agriculture, Associate Environment) | Minister Simmonds (Environment) Under Secretary Simon Court (RMA Reform) | |
| | National Policy Statement for Indigenous Biodiversity (NPS-IB) | Minister Bishop (Responsible for RMA Reform) Minister Jones (Resources) Minister Hoggard (Associate Agriculture, Associate Environment) | Minister Simmonds (Environment) Parliamentary Under-Secretary Court (Responsible for RMA Reform) | |

| | National Environmental Standards for Commercial Forestry (NES-CF) | Minister Bishop (Responsible for RMA Reform) Minister McClay (Forestry) | Minister Simmonds (Environment) Under Secretary Simon Court (RMA Reform) |
|----------------------------------|---|---|---|
| | National Environmental Standards for Marine Aquaculture (NES-MA) | Minister Bishop (Responsible for RMA Reform) Minister Jones (Oceans and Fisheries) | Minister Potaka (Conservation, Māori Crown Relations) |
| | National Policy Statement for Urban Development (NPS-UD) | Minister Bishop (Responsible for RMA Reform, Housing) | Under Secretary Simon Court (RMA Reform) |
| Housing and urban development | Enabling 'granny flats' | Minister Bishop (Responsible for RMA Reform, Housing) | Minister Penk (Building and Construction) |
| | s 9(2)(f)(iv) Papakāinga (new) | Minister Bishop (Responsible for RMA Reform, Housing) Minister Potaka (Māori Development, Associate Housing) | NA |
| | National Policy Statement for Highly Productive Land (NPS-HPL) | Minister Bishop (Responsible for RMA Reform, Housing)Minister McClay (Agriculture) | Minister Simmonds (Environment) Minister Hoggard (Associate Agriculture, Associate Environment) Minister McClay (Agriculture) |
| | s 9(2)(f)(iv) Heritage (new) | Minister Bishop (Responsible for RMA Reform, Housing) Minister Goldsmith (Arts, Culture and Heritage) Minister Penk (Building and Construction) | Minister Mitchell (Emergency Management and Recovery) Under Secretary Simon Court (RMA Reform) |
| | Natural Hazards National Direction (new) | Minister Bishop (Responsible for RMA Reform, Housing) | Minister Mitchell (Emergency Management and Recovery) Minister Watts (Climate Change) |
| Infrastructure/ Energy | NPS Infrastructure (new) s 9(2)(f)(iv) | Minister Bishop (Responsible for RMA Reform, Infrastructure) Parliamentary Under-Secretary Court (Infrastructure) | Minister Brown (Energy, Transport) Minister Penk (Building and Construction) |
| | National Environmental Standards Telecommunication Facilities (NES-TF) | Minister Bishop (RMA Reform, Infrastructure) Minister Goldsmith (Media and Communications) | Parliamentary Under-Secretary Court (Infrastructure) |

| | National Policy Statement for Renewable Electricity Generation (NPS-REG) National Policy Statement for Electricity Transmission (NPS-ET) National Environmental Standards for Electricity Transmission Activities (NES-ETA) | Minister Bishop (Responsible for RMA Reform, Infrastructure) Minister Brown (Energy, Transport) | Minister Jones (Resources, Associate Energy) Minister Watts (Climate Change) Under Secretary Simon Court (RMA Reform) |
|---|---|---|---|
| N | New Zealand Coastal Policy Statement | Minister Potaka (Conservation, Māori Crown Relations) Minister Bishop (Responsible for RMA Reform, Infrastructure) | Minister Jones (Oceans and Fisheries, Resources, Associate Energy) Minister Brown (Energy, Transport) |

Appendix 4: National direction proposal: Further detail on legal risks [Legally Privileged]



[IN-CONFIDENCE]

s 9(2)(h)

Appendix 5: Key milestones for the national direction proposal

The key milestones needed to deliver the package by June 2025 are summarised in the table below.

| Milestone/Activity | Timing |
|--|----------------------------|
| Policy development complete, including Ministerial decisions required ahead of public consultation Pre-consultation engagement completed, including satisfying engagement obligations with PSGEs, in accordance with Treaty settlements Policy drafting, where possible Draft Regulatory Impact Statements completed Treaty Impact Assessments completed Communications and engagement planning completed | July-October 2024 |
| Final Cabinet approval of proposals that have met pre-consultation requirements Detailed decisions on public consultation, including key messages, format and timing Policy drafting, where possible | November- December 2024 |
| Public (statutory) consultation and engagement with iwi Policy drafting, where possible | February- March 2025 |
| Final reporting and Cabinet decisions on new or amended national direction Policy drafting, where possible Gazettal of national direction | Mid 2025 |



Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Resource Management Reform Phase 2 National Direction

Portfolio RMA Reform

On 26 June 2024, the Cabinet Economic Policy Committee:

Background

- **noted** that the Government is taking a three-phased approach to reform of the resource management system, and that the work referred to below fits into the second of these phases;
- noted that in March 2024, ECO agreed that the second phase of resource management reform would include developing or amending national direction to unlock development and investment in infrastructure and primary industries while achieving good environmental outcomes [ECO-24-MIN-0022];
- noted that ECO is also considering a related paper, *Targeted Amendments to Unlock Development and Drive a More Efficient and Effective System* [ECO-24-SUB-0113], which seeks to introduce a second Resource Management Act (RMA) Amendment Bill (RM Bill 2) in late 2024;

Scope of the national direction programme

- 4 **noted** that proposals were assessed by the RMA Reform Ministerial Group for inclusion within this work programme on the basis of whether they met coalition commitments/ National Party manifesto items, timing of impact, will transfer well into a future system, and level of complexity;
- 5 **noted** that proposals included within scope have been proposed on the basis they have been resourced and can meet the proposed timing for the process;
- **agreed** that the scope of the national direction work programme (the work programme) will be delivered through three packages that will include the primary sector, housing and urban development, and infrastructure/energy (the packages);
- **agreed** that the scope of the work programme will include targeted amendments to fourteen existing, and the creation of seven new, national direction instruments, bundled into the three packages, as set out in Appendix 2 under ECO-24-SUB-0112;
- **noted** that Appendix 2 sets out the high-level scope of the amendments and that paragraph 13 below seeks agreement for detailed policy decisions to be made by authorised Ministers;

9 **noted** that further national direction changes will be delivered after the completion of the work programme to meet Government priorities, including infrastructure standards and further aspects of 'Electrify NZ';

Process and timeframes

- agreed that the work programme will involve the packages being progressed in parallel and then brought together for key decision-making and process points, to be delivered through the following approach:
 - 10.1 policy development for all proposals, including any targeted engagement, will be completed by October 2024;
 - 10.2 Cabinet decisions on the scope of policy proposals and public consultation details in December 2024;
 - 10.3 formal iwi and public consultation to begin in late January/early February 2025;
 - 10.4 Cabinet decisions on policy proposals followed by gazettal of national direction in mid-2025;
- authorised the Minister Responsible for RMA Reform to make decisions pursuant to section 24 of the RMA for developing national direction, so far as they relate to the delivery of phase 2 of resource management reform, except for decisions related to the New Zealand Coastal Policy Statement, which are to be made by the Minister of Conservation in consultation with directly relevant portfolio Ministers;

12 **noted** that:

- 12.1 the effect of paragraph 11 above is that the Minister Responsible for RMA Reform is the final decision-maker on overall matters of policy (with the exception of the New Zealand Coastal Policy Statement) and process for the instruments included in the work programme;
- in exercising the above authorisation, the Minister Responsible for RMA Reform will consult with relevant portfolio Ministers as needed;
- **authorised** the Minister Responsible for RMA Reform to make policy decisions jointly with relevant portfolio Ministers for the specific topics set out below:
 - 13.1 for matters relating to freshwater, with the Minister of Agriculture, Minister for Māori Crown Relations: Te Arawhiti, Associate Minister of Agriculture (Hon Andrew Hoggard) and the Associate Minister for the Environment;
 - 13.2 for matters relating to stock exclusion regulations, with the Minister of Agriculture, the Associate Minister of Agriculture (Hon Andrew Hoggard) and the Associate Minister for the Environment;
 - 13.3 for matters relating to drinking water regulations, with the Minister of Local Government, Associate Minister of Agriculture (Hon Andrew Hoggard) and Associate Minister for the Environment;
 - 13.4 for matters relating to indigenous biodiversity, with the Minister for Resources, Associate Minister of Agriculture (Hon Andrew Hoggard) and the Associate Minister for the Environment;

- 13.5 for matters relating to commercial forestry, with the Minister of Forestry;
- 13.6 for matters relating to marine aquaculture, with the Minister for Oceans and Fisheries;
- 13.7 for matter related to quarrying and mining in any of the in-scope national direction instruments (ie: National Policy Statements for indigenous biodiversity, freshwater management, and highly productive land) with the Minister for Resources;
- 13.8 for matters relating to urban development and enabling granny flats, with the Minister of Housing in accordance with Cabinet's decisions under CAB-24-MIN-0211;
- for matters relating to papakāinga, with the Minister of Housing, Minister for Māori Development, and Associate Minister of Housing;
- 13.10 for matters relating to highly productive land, with the Minister of Housing and Minister of Agriculture
- 13.11 for matters relating to heritage, with the Minister of Housing, Minister for Arts, Culture and Heritage, and the Minister for Building and Construction;
- 13.12 for matters relating to infrastructure, with the Minister for Infrastructure and the Parliamentary Under-Secretary to the Minister for Infrastructure and Minister Responsible for RMA Reform;
- 13.13 for matter relating to telecommunication facilities, with the Minister for Media and Communications and consult with the Parliamentary Under-Secretary to the Minister Responsible for RMA Reform;
- 13.14 for matters relating to renewable electricity generation and electricity transmission and distribution, with the Minister for Energy and the Minister of Transport;
- 13.15 for all other policy decisions relating to proposals in the paper under ECO-24-SUB-0112, and minor or technical changes required to ensure achievability of the national direction programme, including removing proposals from the programme that risk delaying the overall delivery, the Minister Responsible for RMA Reform will consult with the directly relevant portfolio Ministers;
- agreed that detailed policy decisions are to be made in consultation with the relevant portfolio Ministers (following advice from officials) as set out in Appendix 3 under ECO-24-SUB-0112;
- noted that on 19 June 2024, ECO agreed to delegate detailed decision-making relating to the Going for Housing Growth package to the Minister of Housing and the Minister Responsible for RMA Reform [ECO-24-MIN-0100];

National direction on natural hazards

noted that in August 2023, the previous government agreed to consultation on the proposed National Policy Statement for Natural Hazard Decision-making (NPS-NHD) and invited the Minister for the Environment to report back to Cabinet on the outcome of public consultation and if appropriate, to seek approval for gazettal of the NPS-NHD;

17 **noted** that:

- 17.1 the Ministry for the Environment received 102 submissions through public consultation;
- 17.2 submissions indicated strong support for regulation on natural hazards, support for the problem definition, strong support for a comprehensive National Direction, with mixed views on the effectiveness on the proposed NPS-NHD and suggestions to improve the NPS-NHD;
- **agreed** that the NPS-NHD be folded into the National Direction for Natural Hazards as part of the Phase 2 national direction work programme and delay gazettal to mid-2025;
- 19 **noted** that the Ministry for the Environment will publish a summary of submissions and concurrently communicate to submitters and the public of the decision in paragraph 18 above;

Engagement

- 20 **noted** that the work programme will require a public and iwi consultation process that requires adequate time and opportunity for submissions;
- agreed that targeted engagement with groups representing local government, infrastructure development, industry, environmental and human health interests, Post-Settlement Governance Entities, and Māori/iwi more generally be undertaken ahead of final Cabinet decisions on proposals to be included in the national direction process;
- noted that some national direction proposals engage obligations under Treaty Settlements and other legislative arrangements, and officials will work with relevant Post-Settlement Governance Entities and other iwi, hapū, and Māori groups to ensure any impacts on these settlements/arrangements are addressed appropriately;

Other matters

- noted that the proactive release of the paper under ECO-24-SUB-0112 will be delayed to co-ordinate with the release of the RM Bill 2 paper;
- 24 **noted** that regulatory impact analysis will be undertaken by the Ministry for the Environment for all policy proposals and provided to Cabinet in December 2024;
- **noted** that costs of progressing further work on Phase 2 of the RMA reform programme will be met from within current agency baselines;
- noted that the National-ACT Coalition Agreement proposes to replace the RMA with new resource management laws premised on the enjoyment of property rights as a guiding principle (Phase 3), which should provide guardrails to ensure least regrets for work undertaken on Phase 2, including national direction.

noted that while urgent work to amend the RMA proceeds, the Minister Responsible for RMA Reform intends to submit a paper to ECO in Quarter 3 2024 setting the direction to replace the RMA (Phase 3) to meet committed timeframes to introduce legislation by mid-2025 and pass by mid-2026.

Rachel Clarke Committee Secretary

Present (see over)

Present:

Rt Hon Christopher Luxon

Rt Hon Winston Peters

Hon David Seymour

Hon Nicola Willis (Chair)

Hon Brooke van Velden

Hon Shane Jones

Hon Chris Bishop

Hon Simeon Brown

Hon Erica Stanford

Hon Paul Goldsmith

Hon Judith Collins KC

Hon Todd McClay

Hon Tama Potaka

Hon Simon Watts

Hon Casey Costello

Hon Melissa Lee

Hon Chris Penk

Hon Andrew Bayly

Hon Andrew Hoggard

Hon Mark Patterson

Simon Court MP

Officials present from:

Office of the Prime Minister Office of the Deputy Prime Minister Office of Hon Chris Bishop Office of Hon Erica Stanford Officials' Committee for ECO