Ministry for the Environment
Manatū Mō Te Taiao

PROACTIVE RELEASE COVERSHEET

Minister	Hon Chris Bishop	**Portfolio**	RM Reform
Name of package	Replacing the Resource Management Act 1991 – Approach to development of new legislation	**Date to be published**	28/03/2025

List of documents that have been proactively released		
Date	***Title***	***Author/s***
24 March 2025	Cabinet paper: Replacing the Resource Management Act 1991 – Approach to development of new legislation	Hon Chris Bishop, Minister Responsible for RM Reform Simon Court, Parliamentary Under-Secretary to the Minister Responsible for RM Reform
24 March 2025	CAB-25-MIN-0080.01 – Cabinet Economic Policy Committee Minute of Decision	Cabinet Office

Information redacted **YES**

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

- S9(2)(f)(ii) – to protect collective and individual ministerial responsibility,
- S9(2)(f)(iv) – information is under active consideration by ministers, and
- S9(2)(h) – to maintain legal professional privilege.

Office of the Minister Responsible for RMA Reform

Office of the Parliamentary Under-Secretary to the Minister Responsible for RMA Reform

Cabinet Business Committee

Replacing the Resource Management Act 1991 – Approach to development of new legislation

Proposal

1 This paper seeks agreement to the system architecture and key components of new legislation to replace the Resource Management Act 1991 (RMA), delegation of further decision-making, necessary changes to the Phase 2 national direction programme to align with Phase 3 reform, and a proposed engagement approach.

Relation to government priorities

2 This proposal advances the Coalition Government's commitment as part of the National Party and Act Party Coalition Agreement to replace the RMA with resource management laws premised on the enjoyment of property rights as a guiding principle. It also supports various elements of the National and NZ First Coalition Agreement, and significant government priorities in economic growth, housing, infrastructure, primary industries, environment and climate change.

Executive Summary

3 It is now widely accepted that the RMA is not fit for purpose. Change is needed to ensure the resource management system better enables growth and development and better respects private property rights within the framework of a market economy, while also improving environmental outcomes.

4 The Government has commenced a programme to improve the resource management system in three phases. Phase 1 of the reform is complete. Phase 2 is underway and includes a raft of changes to the existing RMA and RMA national direction instruments.

5 The changes in Phase 2 are important and will result in 'quick wins' – however, they will not resolve systemic issues with the RMA nor deliver a system capable of addressing current or future challenges. In August 2024, Cabinet agreed [CAB-24-MIN-0315] parameters to enable Phase 3 (replacing the RMA) to proceed at pace, including the establishment of an Expert Advisory Group (EAG) to test and further refine the key components of reform.

6 The EAG provided us with its Blueprint for resource management reform in February 2025. The EAG's recommendations provide a broadly workable basis to start developing new legislation and we now propose to proceed with the development of two new acts to replace the RMA - a Planning Act and a Natural Environment Act (NEA) – to be introduced this year.

7 The proposals in this paper largely reflect the EAG’s key recommendations for system change (except where otherwise indicated), but significant further policy work

is required, including on the remainder of the EAG's recommendations. We recommend Cabinet delegate authority to us to make further policy decisions to enable development of legislation to move at pace.

8 Delivering new legislation within timeframes set requires prioritisation of proposals that will have the greatest impact, and making use of existing policy work on RMA reform undertaken over the last decade. For resource allocation mechanisms, where the scale of change is significant and there are Crown commitments on freshwater rights and interests to be upheld, a staged approach is proposed.

9 A timely transition to the new system will be essential. The new legislation will accelerate the momentum we are building through Phase 2, will be designed to be implemented as quickly as possible, whilst carefully managing impacts on existing users of the resource management system.

10 We also propose to refocus the Phase 2 national direction programme to ensure we progress only the targeted changes under the RMA that will have immediate positive impact to help New Zealanders get things done while we stand up the new system.

11 We intend to return to Cabinet later this year with draft legislation and an outline of policy decisions made under delegation.

Background

12 The RMA has delivered poor outcomes for housing, infrastructure, primary industries, energy and the environment.

13 Despite its original intent, application of the RMA has increasingly treated land use as a privilege rather than a right. The time and cost of resource consents for major projects have substantially increased over the past decade, directly contributing to the housing crisis and stifling economic growth.

14 We are in challenging economic times. This Government came to office with New Zealand in the midst of a prolonged cost of living crisis, with high inflation, high interest rates, and after years of debt-fuelled government spending.

15 But the economic challenges we face as a country isn't just about the last few years, or even the last decade. We have faced low productivity growth, low capital intensity in our firms, and low levels of competition in many sectors for decades longer than that.

16 New Zealand has an infrastructure deficit of $104 billion,[1] and housing is considered unaffordable at over 8 times the annual average income (international recommendations consider affordable to be 3 and under).[2]

17 Turning this around requires changing the culture of "no" that has seeped into bureaucratic decision making in New Zealand.

18 This culture has been worsened by a planning system that fails to effectively take into account the basic requirements a modern country requires to thrive: economic growth, property rights, and the rule of law.

[1] Sense Partners. 2021. *New Zealand's infrastructure challenge: Quantifying the gap and path to close it.*
[2] Center for Demographics and Policy. 2024. *Demographia International Housing Affordability: 2024 Edition*.

19 Change is urgently needed to ensure the resource management system better enables growth and development and better respects private property rights within the framework of a market economy, while also protecting the environment.

20 Cabinet agreed last year [CAB-24-MIN-0315] to the parameters of this new replacement system establishing an Expert Advisory Group to work at pace to test and further refine the key components of this critical reform.

21 The EAG provided us with its Blueprint for resource *management reform* (Appendix 1) in February 2025. We consider the EAG's recommendations provide a broadly workable basis for a new planning and resource management system.

Key benefits of the new legislation

22 The proposals in this paper broadly match the recommendations by the EAG in their blueprint. They are ambitious and wide ranging, significantly changing New Zealand's planning system. These changes include:

22.1 **A narrower scope:** the new system will have a narrower scope of effects being managed, based on the concepts of externalities. This will provide greater protection of, and ability to use property as its owners see fit. It will set a higher bar for regulatory restrictions on property.

22.2 **Simplified National Direction:** Taking inspiration from the Scottish approach, one set of national policy direction under each new Act will simplify, streamline, and direct local government plan and decision-making in the system, as well as providing guidance on how to resolve conflicts between competing priorities.

22.3 **Environmental limits:** A clearer legislative basis for setting environmental limits for our natural environment will provide more certainty around where development can and should be enabled.

22.4 **Greater use of standardisation:** Following approaches in countries like Japan, nationally set standards, including standardised land use zones, will provide significant system benefits and efficiencies. The new legislation will provide for greater standardisation, shifting the focus of policy setting to a national level, whist maintaining local decision making over things that matter – this will prevent councils from unnecessarily taking different approaches to the same issues in different parts of the country.

22.5 **Streamlining of council plans:** The number of plans and policies will be greatly reduced. A single combined plan per region will be required that is succinct, respects property rights, and includes a long-term strategic spatial plan to simplify and streamline the system. This will enable development within constraints, and better align land use and infrastructure planning and investment. Regulatory justification reports will be required where plans depart from national standardisation.

23 Taken together, these proposals will transform the resource management system so that is far simpler and quicker and delivers more proportionate responses to land and resource use. The new system will put development beyond question, so long as that development occurs within environmental limits.

24 This new simpler and more enabling system will have significant benefits across the economy:

24.1 **Infrastructure:** Right now, it takes too long, and is too expensive, to consent infrastructure in New Zealand. The Infrastructure Commission estimates that current consenting processes cost infrastructure projects a staggering $1.3 billion every year, and the time taken to get a resource consent for key projects has nearly doubled within a recent five-year period.

The reduction of costs and delays in the new system, along with lower compliance costs, will decrease the overall investment costs in infrastructure. This reduction could lead to increased infrastructure investment by making some projects that might have previously been unviable, viable.

The new system's stronger emphasis on spatial planning, alongside the greater use of standardisation, will speed up and lessen the costs of infrastructure of all kinds, giving developers and decision makers both the certainty they need through a consenting process.

24.2 **Agriculture:** Currently, farmers have major concerns around the confusing regulatory environment, along with the high costs of compliance and administration.

These proposed reforms address these issues by narrowing the system's scope – setting environmental limits, raising materiality thresholds and reducing the need for consents by expanding the list of permitted activities. Farmers will be able to stop worrying so much about filling in bureaucratic forms that tie them up in red tape, and get on and do what they do best: farm.

24.3 **Housing:** Our current system suppresses development of housing, resulting in some of the highest house prices in the OECD, and a sustained housing crisis. This has had significant impacts on New Zealand's productivity for many years.

Introducing more flexible zoning, and a greater use of standardisation that permits higher density construction will enhance the supply and affordability of housing. Higher supply elasticity in these areas means that housing can more readily respond to market demands. Reducing barriers to obtaining consents and enhancing land availability through improved spatial planning are also crucial steps toward boosting housing supply.

24.4 **Environment:** The Environmental Defence Society has identified poor monitoring and compliance as major flaws of the current RMA. Ambiguity regarding permissible activities raises the costs for stakeholders applying for consents and increases the system's burden in making and enforcing decisions.

The new system will improve the consistency and strength of environmental monitoring and enforcement. This will ensure that whilst the new system will be more enabling, the rules for environmental protection will be clear and consistent across the country, and anyone seen to be flouting the rules will be more likely to have enforcement action taken against them.

Our proposals to provide clarity to system users through environmental limits and regulations will reduce administrative burdens, freeing up resources for more effective environmental protection.

24.5 **Local Government:** Currently, Councils determine the technical rules that go into their land-use zones themselves. This results in enormous duplication of efforts across the country, on things that do not differ from community to community. Across New Zealand, there are 1,175 different zones, with incredibly similar requirements. For example, the maximum building height in Kapiti's residential zone is 8 metres, and in Dunedin it is 9 metres.

This fragmentation and confusion makes it harder to build, requiring different approaches to similar developments across 67 different councils. Creating these bespoke settings creates significant back-room costs for councils as well, that ultimately, New Zealanders pay for through their rates.

The greater use of standardisation, through both standardised zones and environmental limits, will reduce duplication across local government, taking pressure off ratepayers and making it easier for developers. It will allow elected local representatives to focus more on where development should and should not occur in their district, and less time focusing on the enormous number of technical details that goes into regulating that development.

24.6 **Iwi/Māori:** Right now, how Iwi/Māori engage with the planning system is unclear, creating inconsistent and unclear approaches across the country. Their development aspirations on their own land are also stymied, facing the same overly-burdensome restrictions to development as everyone else.

The new system will make it easier for Iwi/Māori to develop their own land and enhance their takiwā for their people. They will also benefit from the reduction in compliance costs, providing for faster, cheaper, and less litigious processes. The new system will continue to uphold treaty settlements.

25 Economic analysis of the EAG's Blueprint by Castalia, as set out in the attached Regulatory Impact Statement, expects administrative and compliance costs to be lower under the proposed approach than under the current system. While dependent on underlying assumptions and detailed design work, the Blueprint proposals are estimated to save $14.8 billion in administrative and compliance costs in present value terms.[3] This would be a 45% improvement in administrative and compliance costs when compared to the current Resource Management System. For comparison, similar analysis done on the NBA predicted only a 7% reduction in process costs.

26 None of this analysis above has taken into account the wider economic growth benefits of a more enabling planning system predicated on property rights, which of course would be significant.

27 The system will still allow and require public input. However, this will be focused on the design of national level standards and in developing spatial and regulatory plans

[3] Present values are estimated over a 30-year time frame, discounted using the Treasury's recommended discount rate of 2 percent. Note these figures only include administrative and compliance costs and do not include the impacts of the changes on the material outcomes of the system.

rather than on individual consents. This will narrow opportunities for people to relitigate issues or object when not directly affected by an application.

28 Achieving the Government's rapid transition objective [CAB-24-MIN-0315 refers] will require both acts to be in place along with a prioritised set of new national direction, including nationally standardised zones. This will enable local government to begin implementing the new system from mid-2027. We anticipate the new system 'turning on' on a fixed date, rather than over a 10-year timeframe under the previous Government's reforms.

29 We seek Cabinet's authorisation to issue drafting instructions to the Parliamentary Counsel Office (PCO) to start drafting the two bills based on the system architecture set out in this paper.

30 The proposals for new legislation in this paper will broadly reflect the EAG's key recommendations for system change. These are set out below as they relate to the legislative design principles agreed by Cabinet in August 2024.

Establish two acts with clear and distinct purposes

31 Planning needs a more defined focus. It should enable development and create well-functioning urban and rural areas, including by separating incompatible land uses. Natural resource management needs a clearer focus on what matters most in regulating the use, protection and enhancement of the environment. The integrated management approach to land use planning and natural resource management has resulted in conflict between objectives and a lack of clear direction on priorities. The result has been poor outcomes for both development and the natural environment.

32 The EAG noted that planning and natural resource management functions have become overly complex under the RMA, and recommended separate decision-making approaches to provide clarity and enable more proportionate regulatory responses to the issues confronting New Zealand.

33 This is best achieved through a two act framework – a Planning Act and a Natural Environment Act (NEA) – that clearly distinguishes the legislative objectives and functions for land-use planning and natural resource management.

34 The significant debate over the meaning of the RMA's 'sustainable management' purpose can also be avoided in the new system by using descriptive purpose statements. The EAG proposed the following purpose statements for the new legislation:

34.1 Planning Act: to establish a framework for planning and regulating the use, development and enjoyment of land

34.2 NEA: to establish a framework for the use, protection and enhancement of the natural environment.

35 We agree with the policy intent of a descriptive purpose clause. However, we propose further decisions about the purpose clauses are made under delegation so we can consider refining the language to minimise litigation risk and uncertainty in the new system. We will also consider how to ensure the NEA purpose recognises that protection and enhancement must be proportionate as the act is intended to be enabling – for example, enhancement can include offsetting and other mitigation approaches.

36 The EAG recommended each act have a set of legislated goals to ensure the primary legislation is clear to all parties about what the system needs to deliver, and a set of decision-making and procedural principles to embed good planning practice and environmental management practice.

37 The EAG proposed a large number of goals and principles, which we intend to streamline given our focus on a “back to basics” resource management system. We propose decisions about the details of the goals and decision-making principles are made under delegation.

Narrow the scope of the resource management system and the effects it controls, with the enjoyment of property rights as the guiding principle

38 The RMA was intended to focus on managing the adverse effects of activities rather than regulating the activities themselves. In practice, most plans still have a strong focus on managing activities and the RMA definition of ‘effect’ is broad, allowing the consideration of almost any effect arising from development. This has led to increased costs and time delays as these myriad effects are addressed. Narrowing the type and level of effects that can be considered and reducing the need for consents will improve efficiency of decision-making and better enable people to enjoy their property rights.

39 The new system will be based on ‘externalities’, meaning land use effects that are borne solely by the party undertaking the activity would not be controlled. We propose detailed decisions about the type of effects managed under the new legislation are made under delegation.

40 The EAG also recommended raising the threshold for the level of adverse effects Compared to the RMA, the new legislation will reduce the scope of effects being regulated by more clearly defining the types of effects managed and by raising the threshold for when adverse effects must be managed. This will enable more activity to take place as of right.

41 We propose detailed decisions about the level of adverse effects managed under the new legislation are made under delegation.

Provide for greater use of national standards to reduce the need for resource consents

42 One of the main criticisms of the RMA’s implementation is the failure of central government to set national direction on key resource management issues in a timely and integrated manner. While there are now 29 separate national direction instruments, there is still insufficient national direction in key areas (such as natural hazards). The instruments are often overly complex and poorly aligned.

43 Another key criticism of the RMA is that councils take different approaches to similar issues in different parts of the country, leading to unnecessary variation and inefficiency. There are 1175 different planning zones across New Zealand, by comparison Japan has 13 zones.

44 We will always need to balance standardisation with local choice, but the technical rules of zoning do not need to differ from community to community. We currently have 67 different councils deciding the maximum building height, fence height and the distance a house can be from the boundary in residential zones across the country. For example, the maximum building height in a residential zone in Kapiti is 8 metres, and in Dunedin it is 9 metres. In Napier, the height in relation to boundary

rule in their residential zone is 3 metres plus 45 degrees, and in Upper Hutt, it is 4 metres plus 60 degrees.

45 There are certain activities that people want to do that require a bespoke approach, but a housing developer operating across New Zealand should not have to redesign all their developments again and again based on what region they are operating in.

46 Local elected representatives should spend more time focusing on and consulting their communities on where development should and should not occur, and less time focusing on the plethora of technical details that regulate development.

47 The new legislation will provide for greater standardisation, shifting the focus of policy setting to a national level. This approach will channel most of the administrative activity in the current system – into "default" solutions set once at the national level, with "safety valves" available to allow genuinely novel issues to be given adequate consideration on a case-by-case basis.

48 We recommend that the legislation empowers the responsible Minister (to be decided under delegation) to develop the following instruments:

48.1 **a mandatory national policy direction (NPD)** under each Act that provides direction on the legislated goals and guidance to resolve conflicts between competing matters. The NPD would simplify and declutter the existing set of RMA national policy statements by only including core objectives and policies. Direction under the Planning Act would cover urban development, infrastructure (including renewable energy), and natural hazards. Direction under the NEA would include freshwater, indigenous biodiversity, and coastal policy.

48.2 **national standards** under each Act, including nationally standardised zones (NSZ) would provide a consistent approach to the regulation of activities. Each region's plan would include Planning Act chapters managing land use which would implement the NSZs, and could only deviate from the NSZs where justified.

48.3 **environmental limits** (under the NEA only) – environmental limits will determine the boundaries of acceptable use of the natural environment, providing investors with more certainty and protecting valued natural assets

48.4 **regulations** under each Act would include, but not be limited to, emergency or urgent response provisions, technical matters, matters requiring frequent updating and administrative matters such as the setting of fees, forms, templates, or process timeframes.

49 In addition to greater standardisation, we propose the new system provides more direction to constrain the use of regulatory powers through:

49.1 reducing the breadth and number of objectives and policies in plans, defining how they should be used, and avoiding their repetition across planning instruments

49.2 reducing the number of consent activity categories and prescribing how they are used, including greater use of permitted activities.

50 This approach would be supported by stronger checks and balances on the use of regulatory powers through:

50.1 **regulatory justification reports**: the legislation will include a new requirement on local authorities to provide reports outlining the rationale for any regulation that deviates from national standards, including the nationally standardised zones

50.2 **protection against regulatory takings**: subject to further detailed design advice, the legislation will include protection against regulatory takings, allowing affected landowners to seek recourse where it is found that unjustified restrictions are placed on them.

Strengthen and clarify the role of environmental limits and how they are to be developed

51 The RMA has failed to set environmental protections in a way that protects what matters and is clear about what cannot be done. This has hindered efficient and effective allocation of natural resources, and led to uncertainty for system users and unintended consequences for nature and people.

52 The RMA has not been clear about what should be monitored in order to understand scarcity of resources and the impact of activities, and does not provide for a quick response to poor environmental outcomes. This results in the worst of both worlds: a system that isn't enabling, and isn't sufficiently protecting the environment.

53 Environmental limits define the extent of nature's capacity to absorb pressure from the use and development of natural resources, in order to protect human health and the life supporting capacity of nature over time. They describe the minimum acceptable state, or the maximum acceptable harm or pressure on the natural environment. Limits are set for measurable characteristics (called 'attributes') that represent a domain of the environment (eg, E. Coli levels are an attribute for freshwater to protect human health). Environmental limits can provide greater certainty for users by defining how much of a resource is available to be used.

54 Environmental limits have been set under the RMA in national direction for air quality, freshwater, soil, and some aspects of biodiversity. However, the RMA does not have a specific legislative framework for limit-setting which has led to incomplete and inconsistent approaches.

55 We recommend the NEA prescribe a clear framework requiring environmental limits, to provide greater assurance that effective limits will be set, and simplify and standardise implementation. The new system will provide clarity on when a limit should be set to protect human health, recognising that protecting human health is not intended to mean every river should be drinkable.

56 The responsible minister would be required to prescribe limits nationally or set default methods for limits to be developed at the regional level, or both. Limits to protect human health would be set nationally, whereas limits to protect the natural environment would be set by regional councils, who may incorporate sub-regional perspectives (such as catchment groups). The NEA would include the following framework for setting limits:

56.1 mandatory domains for which limits must be set, such as air, water (freshwater and coastal), soil, and ecosystems[4] (subject to further advice on how domains and ecosystems should be defined)

56.2 criteria for setting management units

56.3 a process for setting limits nationally to protect human health

56.4 a process for regional councils to set limits to protect the natural environment

56.5 a requirement to cap resource use to ensure a limit is not breached

56.6 procedures for some existing over allocated resources to achieve limits over time.

57 We will consider the role and weighting of environmental limits, their relationship to other planning instruments, and the definition of the mandatory domains through further advice. To ensure that the system can get underway we intend to transition existing limits in national direction into the new system. We propose detailed decisions on how new limits are made, and who develops them (including the role for catchment groups) be made under delegated decisions.

58 In addition to environmental limits, the NEA will include environmental controls to protect significant natural values, including significant natural areas (SNAs). The threshold for what is considered a SNA will be raised compared the current system – we will consider options for how this is best achieved through delegated decisions.

Use spatial planning and a simplified designation process to lower the cost of future infrastructure

59 Spatial planning is a form of long-term strategic planning that looks out at least 30 years and uses robust data and processes to identify development and investment priorities for an area. Good spatial planning supports stability and confidence to facilitate investment, while providing flexibility to respond to market demand.

60 Spatial planning is well-established in New Zealand but is of variable quality and content. Spatial plans currently have insufficient legal weight to support their flow through into land-use, transport and funding plans which can slow their implementation.

61 We recommend the Planning Act require regional spatial plans that are enabling of development within constraints (such as natural hazards and SNAs). Spatial plans will be the first chapter in the combined regional plans and maps will be an important component.

62 Regional spatial plans will broadly identify future urban development areas, major existing and future infrastructure, and where separation of incompatible activities may be required. This will enable housing and business development in places where constraints can be avoided or appropriately managed and support early protection of infrastructure corridors and strategic sites.

[4] The term ‘ecosystem’ overlaps with the other domains to ensure they describe the extent they support life. Ecosystems are systems of organisms interreacting with their physical environment (i.e. the non-living environment such as soils and water chemistry), and with each other.

63 We recommend that spatial plans are prepared under the Planning Act but are designed to help integrate decisions under the Planning Act and NEA, resolving conflicts where possible. Spatial plans will also promote integration of land use planning with infrastructure planning and investment.

64 One approach we will consider is that each region be required to have a spatial plan but with flexibility for local authorities to focus on specific parts of the region and to plan across regional boundaries.

65 We will also consider how spatial plans might be given strong weight to support their flow through to combined Planning Act and NEA plans, long-term plans and regional land transport plans and how they could inform (and be informed by) central government infrastructure plans, including the Infrastructure Commission's 30-year National Infrastructure Plan.

66 Spatial plans will need to be jointly prepared by the region's local authorities, working with the Crown, Māori, infrastructure providers, stakeholders and communities. We will consider how different groups should be involved in the process, including whether the Crown should have a formal role in the development and confirmation of spatial plans.

67 We propose detailed decisions about spatial planning requirements, process and function, and the role of designations in the new system, are made under delegation.

Realise efficiencies by requiring one combined plan per region

68 Regional and district plans have faced significant criticism for failing to deliver desired outcomes. Central government has increasingly stepped in to fix perceived failings – however, unstable national policy settings have only added to complexity and inefficiency at the regional and local level.

69 Plan issues are largely a product of wider system settings, including the emphasis on public participation and appeal rights, an overly complex framework and plans being internally inconsistent or lacking direction on how conflicts are managed – leaving the hard decisions to resource consents.

70 To illustrate the current problem, under the RMA the average time for a new plan to complete the formal part of the plan-making process is five years with some plans taking up to eight years.

71 The EAG's recommended approach will reduce the number of plans in the system without creating complex new governance arrangements as was the case in previous attempts at system reform.

72 The new system will require one plan per region. These plans could be developed concurrently, removing the unnecessary duplication that exists in the current plans, and due to greater standardisation, are expected to be in place much quicker than under the current system.

73 These regional combined plans will be made up of the following:

Plan Chapters	Act	Entity Responsible	Description
Spatial plan chapter	Planning Act	All local authorities in a region including the regional councils	High level strategic direction for growth and infrastructure
Environment chapter	Natural Environment Act	Regional councils / Unitary councils	Regulate natural resource use
Planning chapters (per district)	Planning Act	District councils / Unitary councils	Regulate land use, utilising standard zones

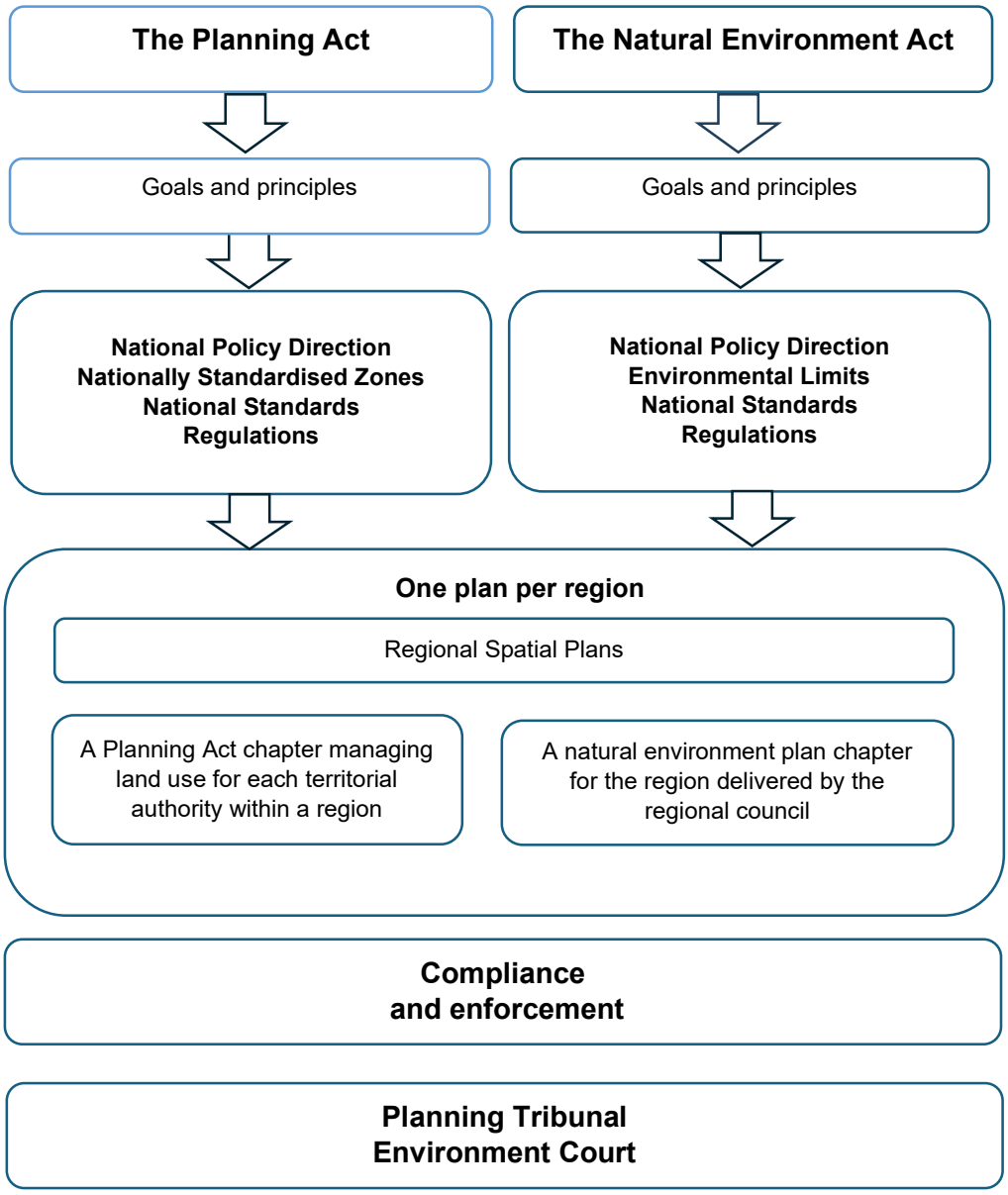
74 One plan per region would be delivered by a national e-planning portal that provides any applicable rules in one place. We recommend that this portal be developed in the future to act as a 'one-stop-shop' for consent applications across the country, standardising forms across all 67 local authorities in New Zealand. There is the potential to explore further gains in efficiency in this system through the use of artificial intelligence. We intend to work alongside the Minister for Digitising Government to explore this.

75 A reduction in the number of plans, combined with greater standardisation will mean combined plans are easier to use. All the information relating to proposed activities will be provided in one place, with no duplication across plan chapters.

76 This approach will be supported by a more efficient plan-making process with more targeted engagement and consultation and limited appeal rights. We propose that detailed decisions on these matters and other requirements for plans in the new system are made under delegation.

77 The diagram below sets out the main mechanisms for decision-making under the Planning Act and NEA, including the role of the single combined plan per region.

Main mechanisms for decision-making under the Planning Act and NEA



Provide for rapid, low-cost resolution of disputes between neighbours and between property owners and councils

78 RMA planning and consenting has become overly litigious, with neighbourhood disputes and differing views on development playing out through the court system. This is a time consuming and costly process.

79 Dispute resolution in the new system will be more efficient, including more limited availability of merits appeals (compared to the RMA) and a new planning tribunal. We propose the details of these proposals are decided under delegation.

Treaty of Waitangi and Māori rights and interests

Clause to recognise the Treaty of Waitangi

80 The RMA currently provides that all persons exercising functions and powers under it, shall take into account the principles of the Treaty of Waitangi (section 8). Section 6(e) provides that in fulfilling the purpose of sustainable management, t the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu and other taonga' shall be recognised and provided by persons exercising powers and functions under the Act for as a matter of national importance.[5]In addition, section 7 provides that persons exercising powers and functions under the Act must have particular regard to the exercise of 'kaitiakitanga.' These 'Part 2 matters' are seen as important underlying infrastructure for the way in which the RMA recognises Māori interests and the Treaty of Waitangi.

81 There is also a close relationship between these Part 2 matters and the way in which Treaty settlements interact with the resource management system. Rights and interests under the Treaty of Waitangi (and in particular, Article 2) are highly relevant in the management of natural resources and the environment. In addition, the Crown has the right to govern, which includes reforming the resource management system on the basis of the enjoyment of property rights. Because of this, we believe further work is needed to:

81.1 ensure any clauses provide certainty and support compliance

81.2 consider options for a descriptive Treaty clause that itemises the provisions of the legislation that provide for Māori participation and recognise relevant Māori rights and interests

81.3 understand better the implications of any decisions, including for upholding settlements in the new system and wider litigation risk

[5] Section 6(e) was carried over from the Town Country Planning Act 1977 which included a similar provision.

s 9(2)(h)

81.4 test potential drafting options, including the potential inclusion of other Part 2 RMA matters, with key Māori representative groups.

82 For these reasons, we seek agreement to report back to Cabinet to seek agreement to the final drafting of such a provision in due course, noting our report-back will:

82.1 seek agreement to a clause that recognises the Treaty of Waitangi and the uniqueness of settlements entered into by the Crown with Iwi/Māori; and

82.2 rule out the use of a general Treaty principles clause, as recommended by the EAG report, and as is currently expressed in section 8 of the RMA.

Māori rights and interests and other Māori participation provisions

83 The RMA contains a number of provisions that support Māori participation in the system[6]. These are an important way in which the system allows rights and interests to be provided for practically, as appropriate. Given these are specifically designed with the RMA architecture in mind, we propose reviewing these provisions, including relevant Part 2 matters, to ensure they are fit for purpose and provide all users in the new system with clear processes.

Uphold Treaty of Waitangi settlements and the Crown's obligations

84 Cabinet agreed to uphold Treaty of Waitangi settlements and the Crown's obligations through this process [CAB-24-MIN-0315]. This includes Treaty settlements and other related arrangements (including those related to the marine and coastal area).[7]

85 Treaty settlements include redress that interacts (to differing degrees) with the RMA system.[8] Any system change will require careful consideration of how the integrity of settlement redress can be upheld in the new system. How this is done in the context of a significantly different system is complex.

86 s 9(2)(h) [redacted]

87 We will explore how some of the less complex forms of redress mechanisms could be provided for through the replacement legislation. For more complex settlement redress, we will endeavour to agree with PSGEs how that redress will work in the new system. Full agreement will not be possible until design aspects of the new

[6] For example, joint management arrangements, Mana Whakahono a Rohe agreements and transfers of power.
[7] Alongside Treaty settlement deeds and associated legislation, this also includes collective redress and legal personhood arrangements, as well as Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019 and other obligations created under the Marine and Coastal Area (Takutai Moana) Act 2011.
[8] Such types of redress includes (but is not limited to) obligations on decision-makers to have regard to iwi and hapū associations, provision for iwi input into decisions on consenting, and provision for settled groups' input into regional and district planning and national direction.
[9] s 9(2)(h) [redacted]

system are finalised. Although this may not be possible before enactment, a requirement for equivalent effect to be given to redress until agreement is reached with the relevant PSGE could uphold the settlement in the interim.

88 We propose agreeing an approach to upholding settlements under delegation that will best balance providing certainty for system users upon commencement of legislation with the need to ensure redress is upheld.

Prioritising our approach to legislative development

89 We propose to proceed with development of two new bills to replace the RMA, to be introduced this year. This is an ambitious timeframe, but the size of the prize is substantial - this is one of the most important reforms this Government will undertake and we need to move quickly to ensure a fairer, faster, and cheaper resource management system is in place to support the Coalition Government's growth agenda. We propose effort is focused on the key elements needed to enable local government to start implementing the new system in 2027.

90 Delivering new legislation at pace will require some trade-offs and not all proposed system changes can be addressed in the timeframe – these other matters can be sequenced over time.

91 We recommend the new planning tribunal is stood up ahead of the development of new regulatory plans and consenting under those plans. Legislative development for the functions and procedures of the tribunal will occur on a longer timeframe, and be added to the system at a later date through legislative amendments. Likewise, we recommend the EAG's proposal for a national compliance regulator, and consideration of institutional arrangements for limit-setting, are progressed in parallel.

92 This work will involve consideration of an entity like the Environmental Protection Authority to perform compliance and enforcement functions, and environmental monitoring functions centrally, removing these functions from councils. This, combined with other system changes (ie, national standards and zones) would involve a reduction in the role of local government which if progressed, would have wider implications for the structure of local government in New Zealand.

93 We recommend the Minister of Local Government and the Minister Responsible for RMA Reform come back to Cabinet later this year, if needed, with details of potential local government reform as a result of these changes to the resource management system.

94 We will also stage the removal of matters from the system that are to be dealt with by other legislation, like historic heritage protection. This will avoid leaving gaps during any transition period, while other legislation is amended.

95 We recommend retaining the existing geographical extent of the resource management system, including the coastal marine area (CMA). While there may be benefits to considering changing how the CMA is managed as proposed by the EAG, reducing the extent of the CMA is not a cost-efficient approach and would involve considerable policy complexity.

A staged approach for allocation within limits and links with Crown commitments on Māori freshwater rights and interests

96 How natural resources are allocated within environmental limits is a critical issue for both safeguarding the environment and enabling development and primary sector growth. It is also technically complex, contentious, and has implications for existing and potential future resource users.

97 Under the RMA, natural resources are primarily allocated on a 'first in first served' basis. This means that consent applications are decided in the order they are received. When replacing consents, existing users are prioritised over new users. This means that where a resource is 'fully allocated', in most instances new users cannot get a consent for the resource regardless of whether they may have a 'higher value' or more efficient use. Māori have been particularly disadvantaged by this allocation method due to the relatively recent return of land under historic Treaty settlements and barriers experienced in development of collectively-owned Māori land.

98 Natural resources allocated under the RMA include:

98.1 the taking or use of water[10]

98.2 the taking or use of heat or energy from water

98.3 the taking or use of heat or energy from the material surrounding geothermal water

98.4 the capacity of air or water to assimilate a discharge of a contaminant

98.5 space in the coastal marine area.

99 The EAG recommended a more deliberate framework for natural resource allocation and charging for natural resource use Their recommendations include a requirement to develop alternatives to the first in first served allocation method when a natural resource becomes scarce.

100 We propose a staged approach to implementing a framework for allocation and any associated charges to enable an effective transition and carefully manage the interests of existing users, alongside upholding Crown commitments on Māori freshwater rights and interests. The details of this will be subject to further advice.

101 We recommend enabling new resource allocation methods and any associated charges in the NEA that would only commence through secondary legislation at a later date. This would enable the new elements of the system to be 'switched on' by resource (such as water takes) and by region. This staged approach will enable the required tools and capabilities to be developed. On introduction of the Bill, the Government intends to signal a clear timeline for this work.

102 The NEA would carry over the following existing allocation methods available under the RMA:

102.1 rules (eg, standards approach, permitted activities)

[10] Freshwater and geothermal.

102.2 first in first served consenting

102.3 collaborative/co-operative approaches (eg, water user groups)

103 The following new allocation methods would be provided for but would only commence through secondary legislation at a later date:

103.1 market-based approaches (eg, auctions, tenders, trading)

103.2 administrative approaches requiring comparison of the merits of applications.

104 A similar approach is proposed for charges associated with resource allocation and management:

104.1 existing RMA provisions would be carried over that enable cost recovery for administration of the resource management system; charges for the occupation of the coastal marine area and the beds and lakes of rivers; charges for the extraction of sand, shell, or other natural material from those areas; and charges for the use of geothermal energy.

104.2 new provisions would enable charges to be imposed on resource users to enable alternative allocative methods to be operationalised, address overallocation, and provide for efficient use (to commence through secondary legislation at a later date).

105 The scope of resources covered would be considered under delegation. In addition to the resources listed above, it may be desirable to enable secondary legislation to specify further resources to ensure the system remains responsive to change and flexible.

106 The interests of existing users with resource consents of up to 35 years will also need to be carefully worked through to enable transitions to new allocation methods in a reasonable timeframe (eg, 10 years) where resources are already scarce.

107 The proposed staged approach provides flexibility for progressing Crown commitments on Māori freshwater rights and interests[11]. The allocation dimension of rights and interests has proved historically challenging to progress and is needed to meaningfully unlock allocation reform.

108 Cabinet agreed in October 2024 to a "collaborative engagement approach" with Māori across reforms affecting freshwater, including Phase 3 resource management reform, noting that the Crown retains final decision-making on policy and legislation. A set of parameters were agreed for this engagement including upholding Crown assurances recorded in the Supreme Court in 2013 regarding Māori rights and interests in freshwater and geothermal resources and the Crown position that "no-one owns freshwater, including the Crown".[12]

109 s 9(2)(h)

[11] CAB-24-MIN-0413.01 refers.
[12] Ibid.
[13] s 9(2)(h)

s 9(2)(h)

110 We propose collaborative engagement with Māori on the processes and mechanisms recommended by the EAG for preserving and upholding these Crown commitments.

111 This collaborative engagement would explore the EAG recommendations that:

111.1 Māori rights and interests in freshwater and geothermal resources be explicitly preserved in the new legislation, as occurred in the NBA. This provision referenced the Crown's assurances recorded in the Supreme Court in 2013[15] and stated that the Act did not create, transfer, extinguish, or determine any rights or interests that may exist

111.2 processes and/or mechanisms be included in the new legislation that progresses Crown commitments on rights and interests in the new allocation system. We note that the set of NBA provisions that the EAG recommended for consideration would have significant system implications that may not align with the Government's objectives for Phase 3, so a range of options should be explored.

112 Following this engagement, options would be brought back to Cabinet for decisions.

Delegated decision-making

113 The proposals in this paper broadly reflect the EAG's key recommendations for system change (except where otherwise indicated), but significant further policy work is required, including on the remainder of the EAG's recommendations, to fully develop these proposals for legislative drafting.

114 We seek delegation from Cabinet to make further policy decisions on these matters and any other matters required to give effect to the proposals in this paper, in consultation with other ministers where relevant to their portfolios.

115 We intend to bring the draft legislation and accompanying LEG paper to Cabinet in September 2025. The LEG paper will outline the policy decisions made under delegation.

Implications for Phase 2 resource management reform

116 The existing Phase 2 national direction programme includes 21 instruments [CAB-24-MIN-0246 refers], many with substantial implementation requirements for local government through RMA plans.

117 We propose to refocus the Phase 2 national direction programme to ensure we progress only the targeted changes under the RMA that will have immediate positive

[14] s 9(2)(h)

[15] The Crown's acknowledgement of Māori rights and interests in freshwater and geothermal resources included that any recognition must "involve mechanisms that relate to the on-going use of those resources, and may include decision-making roles in relation to care, protection, use, access and allocation, and/or charges or rentals for use". Recorded in *New Zealand Maori Council v Attorney General* [2013] NZSC 6, [2013] 3 NZLR 31 at [145]. The Crown subsequently confirmed in the Supreme Court that it was "open to discussing the possibility of Māori proprietary rights in water, short of full ownership" ibid at [101].

impact to help New Zealanders get things done while we stand up the new system. The policy intent of all relevant Phase 2 proposals will be incorporated into the new system.

118 We propose a refocused Phase 2 national direction programme which includes progressing a freshwater package, a suite of changes to national environmental standards, and targeted changes to selected national policy statements that will have immediate effect to support better decision-making on the ground (refer table below). We will seek Cabinet decisions to consult on these proposals in May 2025.

119 Those national direction proposals that rely on RMA plan changes to implement or will look very different in the new system will be incorporated into our Phase 3 work.

Rescoped Phase 2 package	Instruments
Freshwater Priority proposal from the Government's Q1 Action Plan	Freshwater package (includes National Policy Statement (NPS) for-Freshwater Management, National Environmental Standards (NES) for - Freshwater, Stock Exclusion regulations, drinking water proposals, and enabling vegetable growing and water storage)
NES proposals Progress NESs as they have immediate effect on consenting	NES-Granny Flats NES-Electricity Transmission Activities (included electric vehicle charging) NES-Telecommunications Facilities NES-Marine Aquaculture NES-Commercial Forestry NES-Papakāinga
NPS proposals Progress the more straightforward policy proposals from NPSs that are well developed, with the least implementation burden for councils, while influencing consenting processes immediately	More enabling policies/objectives in the NPS-Infrastructure, NPS-Renewable Electricity Generation, and NPS-Electricity Transmission More enabling policies in the New Zealand Coastal Policy Statement (NZCPS) Quarrying and mining consistency changes across NPS-Freshwater Management, NPS-Indigenous Biodiversity and NPS-Highly Productive Land Narrow change to the NPS-Highly Productive Land - remove Land Use Capability (LUC) class 3 from the definition of highly productive land Scaled back national direction on managing natural hazard risk
Urban Development Consult on an urban development and housing policy package including how it will port into Phase 3	The Government has announced several intended changes to the NPS-Urban Development. These proposals would look very different in the new system and would require plan changes to implement under the RMA. We must continue to make progress on delivering better housing policy, and so while we won't amend the NPS-UD under the RMA, we will consult on an urban development and housing policy package and how we deliver it in the new system. Phase 3 presents opportunities to go further than NPS-Urban

	Development amendments, including through standardised zones and spatial planning.
Incorporate remaining policy into Phase 3 and do not progress under the RMA These proposals are new, complex and time-consuming policy, the policy is likely to look very different in the new system, and/or the effectiveness of these proposals relies on an RMA plan change	NPS-Papakāinga NPS-Historic Heritage NPS-Highly Productive Land proposals (except those proposals above) NPS-Indigenous Biodiversity Effects management hierarchy proposals for electricity, infrastructure and the NZCPS

Freshwater

120 We intend to deliver on freshwater commitments via the Phase 2 national direction programme. We will be amending the NPS-Freshwater Management to rebalance Te Mana o Te Wai and enable commercial vegetable growing and water storage. We'll also make some technical improvements to the NES-Freshwater and the Stock Exclusion Regulations. We will be seeking Cabinet decisions on freshwater proposals for public consultation in March 2025.

Infrastructure and other activities

121 The Phase 2 national direction programme will make substantial improvements for infrastructure and other activities. We will be progressing more enabling policies in the NPS-Infrastructure, NPS-Renewable Electricity Generation and NPS-Electricity Transmission. These changes will be supported by technical amendments to the existing NESs for telecommunications facilities and electricity transmission activities.

122 We will also progress similar changes in the NZCPS to enable aquaculture and other activities in the coastal marine area. We will support quarrying and mining by tidying up provisions in freshwater, highly productive land and indigenous biodiversity.

123 We will not progress proposals for effects management hierarchies in these instruments as part of Phase 2. We will deliver this policy more effectively in the new system.

Housing

124 s9 (2)(f)(iv) [redacted]

125 s9 (2)(f)(iv) [redacted]

s9 (2)(f)(iv)

126 It is important that we continue to make progress on housing policy and we plan to consult in 2025 on how all the policy proposals for the NPS-Urban Development will be incorporated into the new system. In the interim, we will make it much easier to build granny flats and papakāinga by progressing NESs under the RMA for both of these matters in Phase 2.

Other proposals

127 We will also remove LUC class 3 land from the definition of highly productive land and ensure we build houses in the right places by progressing some direction on managing natural hazard risks.

Interaction with potential local government reform

128 The new legislation will include provisions relating to the roles, responsibilities, and processes of local government, including proposals that will differ from the status quo under the RMA for some matters. However, resource management reform will not be the primary vehicle for local government reform. Further advice will be developed on the interaction between resource management and local government reform.

Engagement

129 The following agencies were consulted on this paper: Department of Internal Affairs, Department of Conservation, Ministry of Housing and Urban Development, Toitū te Whenua Land Information New Zealand, Ministry of Business, Innovation & Employment, Ministry for Culture & Heritage, Ministry of Transport, Ministry of Education, Ministry of Health, Ministry for Primary Industries, Parliamentary Counsel Office, Office for Māori Crown Relations – Te Arawhiti, Te Puni Kōkiri, Department of Prime Minister and Cabinet, New Zealand Infrastructure Commission Te Waihanga, the Treasury.

130 Officials will undertake targeted engagement with local government as key implementers of the new system, as well as practitioners and infrastructure, development, and other interests. Officials will also work with the relevant PSGEs and other relevant groups to ensure any impacts on Treaty settlements and other arrangements, including in relation to the marine and coastal area, are addressed appropriately.

131 Ensuring buy-in of local government and system partners (including iwi/Māori and PSGEs or other relevant Māori groups) will better support more enduring and impactful resource management reform. Feedback was received from Te Tai Kaha and Pou Taiao advisors on the EAG report, and discussions are ongoing with both on the design of the new system. Undertaking targeted engagement throughout the legislative development process will also help to ensure early identification of workability issues.

132 Given the timeframes, engagement on the proposals in this paper has been limited. However, there has been significant public discussion in recent times about the failures of the RMA and other options for reform, including through the previous reform programme. The select committee process will provide an opportunity for public input on the proposed new legislation.

Rapid transition

133 Achieving the Government's rapid transition objective [CAB-24-MIN-0315 refers] will require both acts to be in place along with a prioritised set of new national direction, including nationally standardised zones. This will enable local government to begin implementing the new system from mid-2027. We anticipate the new system 'turning on' on a fixed date rather than the 10-year timeframe under the previous Government's reforms.

134 Further policy work is required on commencement, savings and transitional provisions, including how resource consent applications are decided during the transition period and any potential roles for the planning tribunal. We propose decisions on these matters are made under delegation.

135 In order to transition to the new system quickly and with minimal disruption, local government and others in the system will require significant implementation support.

136 Officials will be undertaking work, including using the advice from the EAG, to understand what transition and implementation support is required and the role of central government in the implementation programme.

System performance

137 The system shifts outlined in this paper will reduce costs, make processes more efficient and unlock development. We also intend to ensure the system is as financially sustainable as possible, and will explore opportunities for cost recovery throughout the system with a 'user pays' lens.

138 We have asked officials to explore a modern approach to data and technology such as artificial intelligence (AI) and "e-plans" to enable a more efficient and effective resource management system that has better access to more comprehensive data to unlock economic growth. This will reduce cost and complexity in the system, help decision-makers make more timely, confident and informed choices, and allow government to better monitor the performance of the system and make targeted interventions where needed to deliver upon the Government's objectives.

139 Higher quality, standardised, and more accessible data will enable greater use of new and emerging technologies such as machine learning and artificial intelligence will realise greater efficiencies, free up system capacity to speed up processes, and reduce costs for system participants. This is another aspect that we may enable through primary legislation, with secondary legislation delivering improvements over time, linked to continuously improving technology, data and modelling.

Cost-of-living Implications

140 An objective of reforming the resource management system is to better enable activities that support economic growth and productivity, reduce the need for resource consents, and streamline consent processes to avoid unnecessary cost being passed on to system users. These benefits may flow through to reduced costs and improved economic well-being for families and households.

s 9(2)(f)(iv)

Legislative Implications

146 This paper seeks approval to issue drafting instructions for two bills to be introduced this year. We propose the bills have a Category 5 priority - to proceed to select committee by the end of 2025.

147 The proposed new bills will bind the Crown, with exceptions to be decided under delegated authority.

148 Reform will also have a range of implications for other legislation, some potentially significant, which will require consequential amendments. This includes Treaty settlement legislation, as outlined above.

Impact Analysis

Regulatory Impact Statement

149 Cabinet's impact analysis requirements applied to the decisions taken by Cabinet in August 2024, on the work programme to replace the RMA. However, the Ministry for Regulation and Ministry for the Environment agreed that supplementary analysis would be provided to Cabinet alongside the report back of the EAG.

150 The impact analysis requirements also apply to the proposals in this paper.

151 A combined Supplementary Analysis Report and Regulatory Impact Statement (RIS) has been prepared by the Ministry for the Environment, which analyses the impacts of both Cabinet's previous work programme decisions and the proposals in this paper.

152 A quality assurance panel with members from the Ministry for Regulation and the Ministry for the Environment has reviewed the Regulatory Impact Statement. The panel considers that it does not meet the Quality Assurance criteria:

As noted in the limitations section, the policy development process has been subject to substantial constraints such as limited time available to undertake analysis and an inability to conduct public consultation on the options. The staged decision-making process makes it difficult to analyse the impacts of the proposed system as a whole. These factors have significantly contributed to the criteria not being met.

The RIS provides analysis on a range of matters to support a mix of both interim and final Cabinet decisions for RM Reform but does not provide sufficient analysis to support Ministers' final decisions. Some of the analysis in the RIS is not sufficiently developed or clear enough on the implications of final decisions, which will impact subsequent delegated decisions. The RIS acknowledges that implementation planning is only at the earliest stages, so it provides an overview of implementation considerations and notes a number of risks. This makes it difficult for Ministers to rely on the implementation analysis in the RIS to make final decisions.

The panel's view is that subsequent decision processes should give more consideration to implementation and addressing the limitations identified in the RIS.

Climate Implications of Policy Assessment

153 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this policy proposal, as the emissions impact is indirect and difficult to quantify. This policy proposal seeks decisions to enable the drafting of a replacement for the RMA, with the overall aim of better enabling economic growth, development and innovation, while also improving environmental outcomes. Further policy proposals are expected to include more specific decisions, at which point the CIPA requirements will be reassessed.

Population Implications

154 A more efficient and effective resource management system should 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

155 Consistency with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993 will be assessed through delegated and further Cabinet decisions.

Use of external resources

156 This paper is based on the recommendations in the EAG's report *Blueprint for resource management reform.* The EAG was appointed by the Ministry for the Environment for a term of three months. Its membership included experts in law, planning, local government, the environment, primary industries, development, economics and Māori rights and interests.

157 Consultancy was used as an input to the Supplementary Analysis Report and Regulatory Impact Statement that supports this paper. In particular, Castalia was contracted to provide an economic impact analysis of the proposals set out in the EAG's Blueprint.

Communications

158 We intend to announce our proposed approach to replacing the RMA the week beginning 24 March 2025.

Proactive Release

159 As soon as practicable after decisions being confirmed by Cabinet and public announcements made, we intend to proactively release this paper and the EAG's *Blueprint for resource management reform*, subject to redactions as appropriate under the Official Information Act 1982.

Recommendations

The Minister Responsible for RMA Reform and Parliamentary Under-Secretary to the Minister Responsible for RMA Reform recommend that the Committee:

1 **note** the proposals in this paper are broadly based on the recommendations of the Expert Advisory Group (EAG), which was appointed to develop a blueprint for new legislation to replace the Resource Management Act (RMA) (Appendix 1) based on the legislative design principles agreed by Cabinet [CAB-24-MIN-0315]

Establish two Acts with clear and distinct purposes

2 **agree** that the RMA will be replaced by two acts that separate land-use planning and natural resource management – a Planning Act and a Natural Environment Act (NEA)

3 **note** that the significant debate over the meaning of the RMA's 'sustainable management' purpose can be avoided in the new system by using descriptive purpose statements

4 **note** that the Planning Act will focus on establishing a framework for planning and regulating the use, development and enjoyment of land

5 **note** that the NEA will focus on establishing a framework for the use, protection and enhancement of the natural environment, subject to further advice on ensuring the NEA purpose recognises that protection and enhancement must be proportionate as the act is intended to be enabling

6 **agree in principle** that each act will have a set of legislated goals and decision-making principles which will be streamlined to focus on the essential functions of land use planning and natural resource management, subject to further advice on the value provided by legislated goals and decision-making principles

7 **agree in principle** that each act will have a set of decision-making and procedural principles to embed good planning practice and environmental management practice

Narrow the scope of the resource management system and the effects it controls, with the enjoyment of property rights as the guiding principle

8 **agree** that the approach to effects management in the new system is based on the economic concept of externalities, meaning effects (relating to land use) borne solely by the party undertaking the activity would not be controlled

9 **agree** that the new legislation will raise the threshold for the level of adverse effects on people and the environment that can be considered in setting rules and determining who may be affected by a resource consent, with detailed decisions about materiality threshold for effects management and how it applies through the system to be made under delegation

Provide for greater use of national standards to reduce the need for resource consents

10 **agree** that the legislation will include protection against regulatory takings, with the details to be decided under delegation

11 **agree** that the responsible Minister (to be decided under delegation) would be empowered to develop the following instruments:

11.1 a single mandatory National Policy Direction (NPD) under each Act

11.2 national standards under each act, including nationally standardised zones under the Planning Act

11.3 environmental limits (under the NEA only)

11.4 regulations under each Act, including but not limited to emergency or urgent response provisions, technical matters, matters requiring frequent updating and administrative matters

12 **agree** that national standards will be for the purpose of implementing the NPD under each Act and providing a consistent approach to the regulation of activities

13 **agree** that national standards and standardised zones will channel most of the administrative activity in the current system into “default” solutions set once at the national level, with “safety valves” available to allow genuinely novel issues to be given adequate consideration on a case-by-case basis

14 **agree** that the new legislation has fewer consent activity classes than the RMA, including greater use of permitted activities

15 **agree** that both Acts will require regulatory justification reports that outline the rationale for any regulatory plan rules that deviates from national standards

Strengthen and clarify the role of environmental limits and how they are to be developed

16 **agree** that the responsible Minister would be required by the NEA to prescribe limits nationally or set default methods for limits to be developed at the regional level, or both

17 **agree** that limits to protect human health would be set nationally, and limits to protect the natural environment would be set by regional councils following a set methodology

18 **agree** that the NEA would include the following framework for setting limits:

18.1 mandatory domains for which limits must be set – subject to further advice, these could include air, water (freshwater and coastal), soil, and ecosystems

18.2 criteria for setting management units

18.3 a process for setting limits nationally to protect human health

18.4 a process for regional councils to follow to set limits to protect the natural environment

19 **agree** that the NEA require use to be capped to ensure a limit is not breached

20 **agree** the NEA include procedures for some existing over-allocated resources to achieve limits over time

Use spatial planning and a simplified designation process to lower the cost of future infrastructure

21 **agree** that the new system will include long-term, strategic spatial plans that will simplify and streamline the system, enable development within environmental constraints and have sufficient weight and reach to better align land use and infrastructure planning and investment

22 **agree** that spatial planning requirements sit under the Planning Act but are designed to help integrate decisions under the Planning Act and NEA at a strategic level, resolving conflicts where possible

23 **agree** that spatial planning will also promote integration of regulatory planning under the Planning Act and NEA with infrastructure planning and investment

24 **agree** that the Planning Act will include mandatory and optional matters for spatial plans to address with a strong focus on enabling urban development and infrastructure within environmental constraints

Realise efficiencies by requiring one combined plan per region

25 **agree** that each Act will require one combined plan per region – plan chapters would be developed by each local authority, combined for each region, then presented as a national e-plan

26 **agree** that each regional council would deliver a plan chapter under the NEA and there would be no unnecessary duplication across chapters

27 **agree** that each territorial authority would deliver a plan chapter managing land use for their area under the Planning Act

28 **note** that the one plan per region approach would be achieved through a national e-planning portal, and investment would be required to establish and maintain this portal

Treaty of Waitangi and related rights and interests

29 **note** the EAG recommended that the new legislation carry forward an equivalent of section 8 of the RMA

30 **note** further work is needed to ensure the approach taken to an overarching Treaty of Waitangi clause appropriately considers the objectives of resource management reform and the wider review of Treaty clauses in legislation

31 **direct** the Minister Responsible for RMA Reform and Parliamentary Under-Secretary for RMA Reform to report back to Cabinet Economic Development Committee before the introduction of legislation to finalise an approach to a Treaty of Waitangi clause, noting the report-back will:

31.1 seek agreement to a clause that recognises the Treaty of Waitangi and the uniqueness of settlements entered into by the Crown with Iwi/Māori; and

31.2 rule out the use of a general Treaty principles clause, as recommended by the EAG report, and as is currently expressed in section 8 of the RMA.

32 **note** we will work with officials to ensure the system is explicit about how Māori groups interact with the planning system, while also ensuring that any Treaty settlements are upheld

Upholding Treaty settlements and the Crown's obligations

33 **note** Cabinet has agreed that upholding Treaty settlements and related agreements is a principle of the reform of the RMA

34 **note** the scope and objectives of reform will require changes to be made to settlement redress, which require the agreement of relevant post-settlement governance entities (PSGEs) or groups

35 **agree** further decisions on the appropriate process and legislative drafting required to enable a process for Treaty settlements and related agreements to be upheld will be made under delegation

Prioritising our approach to legislative development

36 **agree** that the new planning tribunal is stood up ahead of the development of new regulatory plans and consenting under those plans, with legislative development for its functions and procedures on a timeframe to match the timeframes for when new plans and consenting regimes come into effect

37 **agree** that the following EAG recommendations will not be included in the bills for introduction and will be progressed in parallel but on a longer timeline:

37.1 establishment of a national compliance regulator

37.2 consideration of institutional arrangements for limit-setting

38 **agree** that the EAG's recommendations about overlaps between the RMA and other legislation (such as heritage) will be staged to allow other legislation to be amended and avoid leaving gaps during the transitional period

39 **agree** to retain the existing geographical extent of the resource management system, including the coastal marine area

Allocation within limits and Crown commitments on freshwater rights and interests

40 **agree** to a staged approach where the new allocation system is *enabled* in primary legislation with the following features only being 'switched on' through secondary legislation:

40.1 the ability of councils to use new allocation methods that are not enabled under the RMA

40.2 the ability to compel councils to plan for and implement new methods by resource and/or by region

41 **agree** to carry over existing RMA allocation methods in the NEA and enable the following new methods: market-based approaches (eg, trading, auctions, or tenders) and administrative approaches requiring comparison of the merits of applications

42 **agree** to carry over existing RMA charging provisions in the NEA, including for cost recovery, and enable charges to be imposed on resource users to enable allocation methods to be operationalised, address overallocation, and provide for efficient use

43 **note** that the interests of existing resource consent holders will be considered through delegated decisions to enable transition to new allocation methods in a reasonable timeframe where resources are already scarce (eg, 10 years)

44 **note** that possible approaches to preserve and uphold Crown commitments on rights and interests in freshwater and geothermal resources, including in a new allocation system, will be explored through engagement with Māori (consistent with CAB-24-MIN-0413.01) and options will be brought back to Cabinet for decisions

Delegated decision-making

45 **delegate** authority to make further detailed decisions on the remainder of the EAG's recommendations and any other matters required to give effect to the proposals in this paper to the Minister Responsible for RMA Reform and the Parliamentary Under-Secretary for RMA Reform, in consultation with other Ministers on matters relevant to their portfolios

46 **note** the Minister Responsible for RMA Reform and the Parliamentary Under-Secretary for RMA Reform will update other Ministers on delegated decisions through existing meetings to ensure oversight of decisions prior to LEG lodgement

Implications for Phase 2 resource management reform

47 **note** that on 1 July 2024 Cabinet agreed to amend 14 existing, and create seven new, national direction instruments, as part of the Phase 2 national direction work programme

48 **agree** to refocus the Phase 2 national direction work programme to include:

48.1 freshwater proposals (decisions to be sought from Cabinet shortly)

48.2 technical changes to national environmental standards (including for marine aquaculture, telecommunications facilities, electricity transmission activities, granny flats, papakāinga and commercial forestry)

48.3 enabling policies and objectives in the National Policy Statement (NPS) on-Infrastructure, NPS-Renewable Electricity Generation, NPS-Electricity Transmission and New Zealand Coastal Policy Statement (and incorporate effects management hierarchy proposals into Phase 3)

48.4 quarrying and mining consistency changes across NPS-Freshwater Management, NPS-Indigenous Biodiversity and NPS-Highly Productive Land

48.5 removal of Land Use Category class 3 land from the definition of highly productive land

48.6 direction on managing risk from natural hazards

48.7 consultation on a package of urban development and housing policy and how it will port into the new system

49 **note** all other Phase 2 proposals we have previously worked on will be incorporated into the new system (as appropriate) and we expect to consult on these later in 2025

50 **note** we will seek Cabinet decisions on Phase 2 freshwater proposals for public consultation in March 2025

51 **note** we will seek Cabinet decisions to consult on the Phase 2 national direction instruments identified in recommendation 48 in May 2025

52 s9 (2)(f)(iv) [redacted]

Interaction with potential local government reform

53 **invite** the Minister of Local Government and the Minister Responsible for RMA Reform to report back to the Cabinet Economic Policy Committee, by December 2025, with an update on whether local government reforms should be progressed as a consequence of changes to the resource management system

Engagement

54 **note** that the proposed approach to replacing the RMA, based on the decisions in this paper, will be announced the week beginning 25 March 2025

55 **note** officials will work with key iwi/Māori groups such as the National Iwi Chairs Forum's Pou Taiao advisory group and Te Tai Kaha, as well as engaging with the relevant PSGEs and other entities to ensure Treaty settlements and other legislative arrangements are upheld appropriately

System performance

56 **note** that improving the data, technology, and tools that underpin and support the resource management system are critical to better decision-making, the efficient allocation of resources, monitoring and improving system performance and efficiency, unlocking economic growth, and delivering upon the Government's strategic objectives

57 **agree** that the Minister Responsible for RMA Reform and Parliamentary Under-Secretary for RMA Reform will investigate the economic case for improving data and technology to support a more efficient and effective resource management system, including potential cost recovery mechanisms

Legislative process

58 **authorise** the Minister Responsible for RMA Reform and Parliamentary Under-Secretary for RMA Reform to issue drafting instructions to give effect to the proposals in this paper and further delegated decisions

59 **agree** the bills will be introduced with a Category 5 priority - to proceed to select committee by the end of 2025.

Authorised for lodgement

Hon Chris Bishop

Minister Responsible for RMA Reform

Simon Court

Parliamentary Under-Secretary to the Minister Responsible for RMA Reform

Appendix 1 – Expert Advisory Group *Blueprint for resource management reform*

CAB-25-MIN-0080.01

Cabinet

Minute of Decision

Replacing the Resource Management Act 1991: Approach to Development of New Legislation

Portfolio **RMA Reform**

On 24 March 2025, following reference from the Cabinet Business Committee, Cabinet:

Background

1 **noted** that:

1.1 in August 2024, the Cabinet Economic Policy Committee (ECO) agreed to the parameters to enable Phase 3 of the reform to replace the Resource Management Act 1991 (RMA), and to the establishment of an Expert Advisory Group (EAG) tasked with developing a blueprint for new legislation to replace the RMA [ECO-24-MIN-0160];

1.2 the proposals outlined below are broadly based on the recommendations of the EAG, whose *Blueprint for resource management reform* is attached as Appendix 1 to the paper under CBC-25-SUB-0005;

Establish two Acts with clear and distinct purposes

2 **agreed** that the RMA will be replaced by two Acts that separate land-use planning and natural resource management – a Planning Act and a Natural Environment Act (NEA);

3 **noted** that the significant debate over the meaning of the RMA's 'sustainable management' purpose can be avoided in the new system by using descriptive purpose statements;

4 **noted** that the Planning Act will focus on establishing a framework for planning and regulating the use, development and enjoyment of land;

5 **noted** that the NEA will focus on establishing a framework for the use, protection and enhancement of the natural environment, subject to further advice on ensuring the NEA purpose recognises that protection and enhancement must be proportionate as the Act is intended to be enabling;

6 **agreed in principle** that each Act will have a set of legislated goals and decision-making principles which will be streamlined to focus on the essential functions of land use planning and natural resource management, subject to further advice on the value provided by legislated goals and decision-making principles;

7 **agreed in principle** that each Act will have a set of decision-making and procedural principles to embed good planning practice and environmental management practice, subject to the further advice referred to above;

Narrow the scope of the resource management system and the effects it controls, with the enjoyment of property rights as the guiding principle

8 **agreed** that the approach to effects management in the new system be based on the economic concept of externalities, meaning effects (relating to land use) borne solely by the party undertaking the activity would not be controlled;

9 **agreed** that the new legislation will raise the threshold for the level of adverse effects on people and the environment that can be considered in setting rules and determining who may be affected by a resource consent, with detailed decisions about reverse sensitivity, the materiality threshold for effects management, and how it applies through the system to be made by delegated Ministers, as authorised in paragraph 46 below;

Provide for greater use of national standards to reduce the need for resource consents

10 **agreed** that the legislation will include protection against regulatory takings, with the details to be decided by delegated Ministers;

11 **agreed** that the responsible Minister (to be decided by delegated Ministers) would be empowered to develop the following instruments:

11.1 a single mandatory National Policy Direction (NPD) under each Act;

11.2 national standards under each Act, including nationally standardised zones under the Planning Act;

11.3 environmental limits (under the NEA only);

11.4 regulations under each Act, including but not limited to emergency or urgent response provisions, technical matters, matters requiring frequent updating and administrative matters;

12 **agreed** that national standards will be for the purpose of implementing the NPD under each Act and providing a consistent approach to the regulation of activities;

13 **agreed** that national standards and standardised zones will channel most of the administrative activity in the current system into "default" solutions set once at the national level, with "safety valves" available to allow genuinely novel issues to be given adequate consideration on a case-by-case basis;

14 **agreed** that the new legislation will have fewer consent activity classes than the RMA, including greater use of permitted activities;

15 **agreed** that both Acts will require regulatory justification reports that outline the rationale for any regulatory plan rules that deviate from national standards;

Strengthen and clarify the role of environmental limits a6nd how they are to be developed

16 **agreed** that the responsible Minister will be required by the NEA to prescribe limits nationally or set default methods for limits to be developed at the regional level, or both;

17 **agreed** that limits to protect human health will be set nationally, and limits to protect the natural environment would be set by regional councils following a set methodology;

18 **agreed** that the NEA will include the following framework for setting limits:

18.1 mandatory domains for which limits must be set – subject to further advice, these could include air, water (freshwater and coastal), soil, and ecosystems;

18.2 criteria for setting management units;

18.3 a process for setting limits nationally to protect human health;

18.4 a process for regional councils to follow to set limits to protect the natural environment;

19 **agreed** that the NEA will require use to be capped to ensure a limit is not breached;

20 **agreed** the NEA will include procedures for some existing over-allocated resources to achieve limits over time;

Use spatial planning and a simplified designation process to lower the cost of future infrastructure

21 **agreed** that the new RMA system will include long-term, strategic spatial plans that will simplify and streamline the system, enable development within environmental constraints, and have sufficient weight and reach to better align land use and infrastructure planning and investment;

22 **agreed** that spatial planning requirements will sit under the Planning Act but be designed to help integrate decisions under the Planning Act and NEA at a strategic level, resolving conflicts where possible;

23 **agreed** that spatial planning will also promote integration of regulatory planning under the Planning Act and NEA with infrastructure planning and investment;

24 **agreed** that the Planning Act will include mandatory and optional matters for spatial plans to address, with a strong focus on enabling urban development and infrastructure within environmental constraints;

Realise efficiencies by requiring one combined plan per region

25 **agreed** that each Act will require one combined plan per region – plan chapters would be developed by each local authority, combined for each region, then presented as a national e-plan;

26 **agreed** that each regional council would deliver a plan chapter under the NEA and there would be no unnecessary duplication across chapters;

27 **agreed** that each territorial authority would deliver a plan chapter managing land use for their area under the Planning Act;

28 **noted** that the one plan per region approach would be achieved through a national e-planning portal, and investment would be required to establish and maintain this portal;

Treaty of Waitangi and related rights and interests

29 **noted** that the EAG recommended that the new legislation carry forward an equivalent of section 8 of the RMA;

30 **noted** that further work is needed to ensure the approach taken to an overarching Treaty of Waitangi clause appropriately considers the objectives of resource management reform and the wider review of Treaty clauses in legislation;

31 **invited** the Minister Responsible for RMA Reform and the Parliamentary Under-Secretary to the Minister Responsible for RMA Reform (the Minister and the Parliamentary Under-Secretary) to report back to ECO before the introduction of legislation to finalise an approach to a Treaty of Waitangi clause, noting that the report-back will:

31.1 seek agreement to a clause that recognises the Treaty of Waitangi and the uniqueness of settlements entered into by the Crown with Iwi/Māori; and

31.2 rule out the use of a general Treaty principles clause, as recommended by the EAG report, and as is currently expressed in section 8 of the RMA;

32 **noted** that the Minister and the Parliamentary Under-Secretary will work with officials to ensure the system is explicit about how Māori groups interact with the planning system, while also ensuring that any Treaty settlements are upheld;

Upholding Treaty settlements and the Crown's obligations

33 **noted** that Cabinet has agreed that upholding Treaty settlements and related agreements is a principle of the reform of the RMA [ECO-24-MIN-0160];

34 **noted** that the scope and objectives of reform will require changes to be made to settlement redress, which require the agreement of relevant post-settlement governance entities (PSGEs) or groups;

35 **agreed** that further decisions on the appropriate process and legislative drafting required to enable a process for Treaty settlements and related agreements to be upheld will be made by delegated Ministers;

Prioritising the approach to legislative development

36 **agreed in principle** that the institutional design for the new planning tribunal be established by the commencement of the legislation, subject to further advice from the Ministry of Justice and Ministry for the Environment on the role of the tribunal, and the tribunal's role in transitioning to a new planning system;

37 **agreed** that the following EAG recommendations will not be included in the bills for introduction, and will be progressed in parallel but on a longer timeline:

37.1 establishment of a national compliance regulator;

37.2 consideration of institutional arrangements for limit-setting;

38 **agreed** that the EAG's recommendations about overlaps between the RMA and other legislation will be staged to allow other legislation to be amended and avoid leaving gaps during the transitional period, and further work is needed;

39 **agreed** that further work will be done, prior to introduction, on where heritage sits in the system, particularly in the context of regulatory takings, heritage management, and listing of historic heritage between the Minister, the Minister for Arts, Culture and Heritage and the Parliamentary Under-Secretary;

40 **agreed** to retain the existing geographical extent of the resource management system, including the coastal marine area;

Allocation within limits and Crown commitments on freshwater rights and interests

41 **agreed** to a staged approach where the new allocation system is enabled in primary legislation, with the following features only being 'switched on' through secondary legislation:

41.1 the ability of councils to use new allocation methods that are not enabled under the RMA;

41.2 the ability to compel councils to plan for and implement new methods by resource and/or by region;

42 **agreed** to carry over existing RMA allocation methods in the NEA and enable the following new methods:

42.1 market-based approaches (e.g. trading, auctions, or tenders); and

42.2 administrative approaches requiring comparison of the merits of applications;

43 **agreed** to carry over existing RMA charging provisions in the NEA, including for cost recovery, and enable charges to be imposed on resource users to enable allocation methods to be operationalised, address overallocation, and provide for efficient use;

44 **noted** that the interests of existing resource consent holders will be considered through delegated decisions to enable transition to new allocation methods in a reasonable timeframe where resources are already scarce (e.g. 10 years);

45 **noted** that possible approaches to preserve and uphold Crown commitments on rights and interests in freshwater and geothermal resources, including in a new allocation system, will be explored through engagement with Māori (consistent with CAB-24- MIN-0413.01), and that options will be brought back to Cabinet for decisions;

Delegated decision-making

46 **authorised** the Minister and the Parliamentary Under-Secretary to make further detailed decisions on the remainder of the EAG's recommendations and any other matters required to give effect to the proposals in the paper under CBC-25-MIN-0005, in consultation with other Ministers on matters relevant to their portfolios;

47 **noted** that the Minister and the Parliamentary Under-Secretary will update other Ministers on delegated decisions through existing meetings to ensure oversight of decisions prior to the lodgement of further papers to Cabinet;

48 **noted** the unique characteristics of the Coastal Marine Area (CMA) and the need for these to be explicitly considered in the design of the new system;

49 **directed** officials from the Ministry of Environment to lead work to reflect the unique characteristics of the CMA in the new system, in consultation with the Ministry for Primary Industries, and that this work include identifying options for the appropriate management of the CMA in the future Natural Environment Act and Planning Act framework, including options for greater centralised management of the CMA;

50 **authorised** the Minister and the Minister for Oceans and Fisheries to make decisions relating to the work on the CMA, in consultation with relevant portfolio Ministers;

Implications for Phase 2 resource management reform

51 **noted** that in July 2024, ECO agreed to amend 14 existing, and create seven new, national direction instruments, as part of the Phase 2 national direction work programme [ECO-24-MIN-0112];

52 **agreed** to refocus the Phase 2 national direction work programme to include:

52.1 freshwater proposals (decisions to be sought from Cabinet shortly);

52.2 technical changes to national environmental standards (including for marine aquaculture, telecommunications facilities, electricity transmission activities, granny flats, papakāinga and commercial forestry);

52.3 enabling policies and objectives in the National Policy Statement (NPS) on Infrastructure, NPS-Renewable Electricity Generation, NPS-Electricity Transmission and New Zealand Coastal Policy Statement (and incorporate effects management hierarchy proposals into Phase 3);

52.4 quarrying and mining consistency changes across NPS-Freshwater Management, NPS-Indigenous Biodiversity and NPS-Highly Productive Land;

52.5 removal of Land Use Category class 3 land from the definition of highly productive land, with consultation to occur on special agricultural zones, e.g. Pukekohe and Horizons;

52.6 direction on managing risk from natural hazards;

52.7 consultation on a package of urban development and housing policy and how it will port into the new system;

53 **noted** that all other Phase 2 proposals previously considered will be incorporated into the new system (as appropriate), with consultation expected on these later in 2025;

54 **noted** that the Minister and the Parliamentary Under-Secretary intend to seek Cabinet decisions on Phase 2 freshwater proposals for public consultation in March 2025;

55 **noted** that the Minister and the Parliamentary Under-Secretary intend to seek Cabinet decisions on the Phase 2 national direction instruments identified in paragraph 52 above in May 2025;

9(2)(f)(iv)

Interaction with potential local government reform

57 **invited** the Minister and the Minister of Local Government to report back to ECO by July 2025 with an update on whether local government reforms should be progressed as a consequence of changes to the resource management system;

Engagement

58 **noted** that the proposed approach to replacing the RMA, based on the above decisions, will be announced the week beginning 25 March 2025;

59 **noted** that officials will work with key iwi/Māori groups such as the National Iwi Chairs Forum's Pou Taiao advisory group and Te Tai Kaha, as well as engaging with the relevant PSGEs and other entities to ensure Treaty settlements and other legislative arrangements are upheld appropriately;

System performance

60 **noted** that improving the data, technology, and tools that underpin and support the resource management system are critical to better decision-making, the efficient allocation of resources, monitoring and improving system performance and efficiency, unlocking economic growth, and delivering on the Government's strategic objectives;

61 **agreed** that the Minister and the Parliamentary Under-Secretary will investigate the economic case for improving data and technology to support a more efficient and effective resource management system, including potential cost recovery mechanisms;

Legislative process

62 **authorised** the Minister and the Parliamentary Under-Secretary to issue drafting instructions to give effect to the above paragraphs and further decisions made under the authority in paragraph 46 above;

63 **noted** that the bills are expected to be accorded a category 5 priority on the 2025 Legislation Programme (to proceed to select committee by the end of 2025).

Rachel Hayward
Secretary of the Cabinet

9(2)(f)(ii)