Ministry for the Environment
Manatū Mō Te Taiao

Supplementary Analysis Report: Replacing the Resource Management Act 1991 – Further Policy Decisions

Context	In March 2025 Cabinet made decisions about the system architecture and key components of new legislation to replace the Resource Management Act 1991 (RMA). These decisions were supported by a Regulatory Impact Statement. The replacement legislation will be a two-act structure that separates land use planning and natural resource management – a Planning Act and a Natural Environment Act (NEA). Cabinet delegated decision making to the Minister Responsible for RMA Reform and Parliamentary Under-Secretary to the Minister Responsible for RMA Reform to make further detailed decisions on the replacement RMA legislation, in consultation with other Ministers on matters relevant to their portfolios. Cabinet also authorised the Minister for RMA Reform and the Minister for Oceans and Fisheries to make decisions relating to the Coastal Marine Area, in consultation with relevant portfolio Ministers.
Purpose and scope	Purpose This Supplementary Analysis Report (SAR) has been developed to provide transparency of the analysis that informed delegated decisions between April and September 2025. Scope The scope of this SAR is to: • provide explanation of recent delegated decisions • provide brief context and explanation of earlier decisions made by Cabinet, which were supported by a Regulatory Impact Statement (RIS) at the time • assess the combined impact of all those decisions. The SAR is not intended to replicate content provided in the earlier RIS. Where relevant, the SAR references earlier analysis provided.
Decision sought	Confirmation of further, detailed policy decisions on the replacement of the RMA relating to:

	• direction-setting and scope of the system • environmental limits and allocation of natural resources • spatial planning • regulatory plan-making • Treaty provisions and process to uphold Treaty settlements and related arrangements • specific regimes (heritage, Water Conservation Orders) • compliance and enforcement.
Agency responsible	Ministry for the Environment
Proposing Ministers	Minister Responsible for RMA Reform and Parliamentary Under-Secretary to the Minister Responsible for RMA Reform
Date finalised	7 November 2025

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Summary: Chosen option

Cabinet previously agreed to replace the Resource Management Act 1991 (RMA) with two new Acts – a Planning Act, and a Natural Environment Act (NEA). Cabinet also agreed the system architecture and key components of the new legislation. These decisions were supported by a Regulatory Impact Statement (RIS). Further detailed decisions were delegated to The Minister Responsible for RMA Reform and the Parliamentary Under-Secretary to the Minister Responsible for RMA Reform.

Delegated decision makers have taken decisions on the matters below.

Matter 1: Direction-setting and scope of system

- Purpose, goals and principles
    - Each Act will contain a descriptive purpose clause, goals setting out what the system is intended to achieve and procedural principles that will apply to all decisions under both Acts.
- National instruments
    - National Policy Direction will direct how the goals of each Act are to be achieved through planning documents.
    - National standards will help achieve greater consistency across the system in how land and natural resources are planned for and regulated.
- Effects management
    - The new system will narrow the effects that are managed and have new thresholds for determining who is an affected party.

Matter 2: Environmental limits and allocation of natural resources

- The NEA will require limits to be set to protect human health and the life-supporting capacity of the natural environment.

Matter 3: Spatial planning

- Every region must have a spatial plan covering mandatory matters set out in the Planning Act. Spatial plans will have strong legal weight to direct land use and natural environment plan chapters.

Matter 4: Regulatory plan making

- Plan-making (land use and natural environment plans)
    - Land use and natural environment plans will be required in each region to translate the spatial plan, national policy direction and national standards into rules.
    - The scope of plans will be narrower in the new system and there will be increased national standardisation and shorter timeframes to develop plans.
- Consenting and permitting
    - The requirement for consents and permits will be reduced in the new system. Consenting and permitting will be streamlined and more certain.
- Designations

- Changes will be made to the pathways to obtain a designation to streamline and refocus requirements to provide route or site protection. Other changes will broaden eligibility to propose designations.

- Planning Tribunal and Environment Court
  - A new planning tribunal will be established to review administrative decisions related to consents and permits. The Environment Court will continue to hear appeals on plans, notified consents and deal with enforcement matters.
- Relief for the imposition of regulations
  - A regulatory relief framework will be established to ensure the impacts of some planning controls on private landowners are proactively considered and acknowledged with some form of relief during the planning process.

Matter 5: Treaty provisions and process to uphold Treaty settlements and related arrangements

- Both Acts will include a descriptive Treaty clause, specific provisions to recognise the Crown's obligations under the Treaty and provisions to uphold Treaty settlements, Ngā Hapū o Ngāti Porou arrangements and rights under the Marine and Coastal Area (Takutai Moana) Act.

Matter 6: Specific regimes

- Heritage
  - The Planning Act will manage historic heritage and narrow the way it can be applied.
- Water Conservation Orders (WCOs)
  - The existing WCO process will be transferred to the NEA, with amendments to reduce the scope of matters new WCOs can be made for, reduce duplication in the process and make it easier to amend WCOs.

Matter 7: Compliance and enforcement system

- The existing compliance and enforcement system will be retained, with some amendments focused on strengthening deterrence, providing enhanced accountability and improving remediation and restoration.

Decisions have also been taken on cost recovery provisions (set out in a Stage 1 Cost Recovery Impact Statement in Appendix 2).

Summary: Problem definition and options

In March 2025 the Ministry for the Environment provided: *Regulatory Impact Statement: Replacing the Resource Management Act 1991*.[1] The earlier RIS provided a detailed analysis of the current resource management system and policy problem. This SAR does not repeat the detailed analysis of the current state but does briefly summarise the context and set out the policy problems from the RIS. The delegated decisions outlined in this SAR address the same core problems.

What is the policy problem?

There are a range of reasons the current system is not working as intended and outcomes of the system are not being achieved. The below provides a summary of the problems as they are observed (symptoms) and the underlying causes of the problem.

Symptoms of policy problem

- Symptom 1: **Costs are high for system users and regulators.**
- Symptom 2: **Insufficient housing and infrastructure development have been enabled.**
- Symptom 3: **The natural environment is degraded and poorly managed.**
- Symptom 4 **The planning system is not adequately equipped to deal with natural hazard events that we continue to experience.**

Root causes of policy problem

- Problem 1: **The broad purpose and scope of the RMA.** This can detract focus from the matters of most importance. The RMA also has a low barrier for managing effects and only discounts effects that are 'de minimis' (trivial or negligible).
- Problem 2: **The system is generally adversarial**. It is considered that many plans have been poorly drafted and too slow to change, partly due to the multiple avenues available to relitigate decisions.
- Problem 3: **Inconsistent processes and rules across the country** that do not realise the potential efficiency benefits from standardisation (and create complexity for system users). While the current system provides for national direction, the Government considers that historically it has not always made the best use of the RMA.
- Problem 4: **An overreliance on resource consents**. A lack of good data and a slow planning process has created a risk-averse approach to implementation, including widespread use of case-by-case decision making through resource consents, rather than through plans.
- Problem 5: **Lack of defined environmental limits, good data, evidence and monitoring.**
- Problem 6: **A first in first served approach to allocation of natural resources**, which fails to incentivise efficient use.
- Problem 7: **No strategic framework for spatial planning**. This has resulted in planning addressing the here and now, rather than taking a long-term approach.

[1] Ministry for the Environment, Regulatory Impact Statement: Replacing the Resource Management Act 1991, March 2025

What is the policy objective?

Cabinet agreed to a work programme to replace the RMA, guided by the following objectives:

making it easier to get things done by:

- unlocking development capacity for housing and business growth
- enabling delivery of high-quality infrastructure for the future, including doubling renewable energy
- enabling primary sector growth and development (including aquaculture, forestry, pastoral, horticulture, and mining)

while also:

- safeguarding the environment and human health
- adapting to the effects of climate change and reducing the risks from natural hazards
- improving regulatory quality in the resource management system
- upholding Treaty of Waitangi settlements and other related arrangements.

What engagement has been undertaken?

The approach has been to test individual policy topics with key partners and stakeholders to ensure workability on the ground. Engagement was also undertaken to test the proposed system as a whole with these groups, to capture further feedback before the Bills are introduced into Parliament.

This targeted approach reflects the programme's tight timeframes, capacity and Ministerial preference. The Select Committee process will be used for wider public feedback.

Partners and stakeholders include the following groups: government agencies and Crown entities, Independent Expert Advisors – including a subset of the Expert Advisory Group that was established to provide a blueprint to replace the RMA; Māori groups including Te Tai Kaha and Pou Taiao and some post-settlement governance entities; RM practitioner groups; local government groups at both the strategic and practitioner levels, environmental technicians and industry including the following sectors: infrastructure, energy, development, business and primary.

Many agencies and other groups acknowledge that the current system needs to change. Some agencies/groups have expressed agreement with the broad direction of the reform programme.

Some agencies/groups suggested improvements to the proposed new system, such as:

- additional specific topics to be covered by national instruments
- improvements to criteria used to determine which effects are managed.

In some areas, there were different views:

- Diverse views on the level of protection environmental limits should provide and whether legislation should enable balancing environmental protection with other goals or values, and whether there should be any mechanism in the system to allow for exceptions or flexibility when needed.
- Regional councils considered charges for natural resource use should be the key mechanisms to incentivise efficient use of resources and address over-allocation and

were concerned that the cost of administering new methods (eg, auctions or tenders) may outweigh the benefits. Government agencies were concerned that a new allocation system would create investment uncertainty.
- Several groups emphasised that limit setting and constraints mapping needs to happen first, then spatial planning, then other planning.

Multiple groups highlighted the need to engage and partner iwi, hapū and other Māori groups and provide opportunities for them to be involved in planning and decision making in the new system.

Summary: Analysis and delivery

Approach taken to cost benefit analysis

The Ministry's advice has been informed by independent reports on the impacts associated with the resource management system. These include reports from Castalia, *Economic impact analysis of the proposed resource management reforms* (February 2025)[2] and an update to that report based on decisions by Cabinet and delegated decision makers (October 2025).

The cost benefit analysis (CBA) figures in the SAR supersede those in the February report *Regulatory Impact Statement: Replacing the Resource Management Act 1991*.

The CBA includes an assessment of how these different costs are distributed across affected parties ie, central government, local government, system users[3] and iwi/Māori. The present value of these costs and benefits has been estimated over a 30-year time frame, discounted using the Treasury's recommended discount rate of 2 percent.

The SAR also provides a non-monetised assessment of wider economic, social and environmental impacts. Independent reports and case study examples provide a strong indication of the additional benefits of the reforms to key outcomes.

Costs

Outline the key costs and where those costs fall

The proposed reforms will impose new costs on central government, local government, and resource management system users. These costs involve upfront establishment costs to implement the new system and ongoing costs to run the system. System users will also incur costs as they adapt to understand and use the proposed system.

Castalia estimates that in the proposed system relative to the status quo there will be a Net Present Value (NPV) $1.145 billion in additional costs for central government. These costs include developing the primary legislation and national instruments, undertaking the science and policy work to identify and implement environmental limits, establishing and reforming institutional arrangements, and compliance and enforcement.

[2] Catalia (February 2025) https://environment.govt.nz/assets/publications/26.2-Final-Report-economic-impact-analysis-of-proposed-Resource-Management-Act-reforms-1.pdf

[3] 'System users' refer to private individuals or entities that interact with and utilise the resource management system.

For local government there will be $199.5 million in additional costs in the short term. These costs include plan processes, implementing national instruments, and developing limits.

Wider costs, including on the natural environment, have not been quantified or monetised as part of the CBA.

Benefits

Outline the key benefits and where those benefits fall

The quantified CBA looked at benefits of the system to local government, resource management system users and iwi/Māori.

Local government is estimated to benefit from $4.375 billion NPV reduced administrative costs over the longer term (a period of 30 years), including through greater use of national standards leading to reduced consenting and plan-making costs and an overall faster and less litigious process.

Resource management system users are estimated to benefit from significant compliance cost savings. This is based on there being a more permissive, efficient, and less litigious process.

Iwi/Māori are also estimated to benefit from $324 million NPV in compliance cost savings, with the same rationale as resource management users estimated to benefit from $9.907 billion NPV.

Castalia acknowledged that there will be wider economic benefits associated with the proposed reforms. However, as these costs could not be reliably quantified, they were excluded from the quantified CBA but were considered in qualitative terms.

Balance of benefits and costs

Are the benefits of the chosen option likely to outweigh the costs?

Castalia estimates that the NPV of the proposed reforms will be $13.26 billion (over 30 years) indicating a net economic benefit, as outlined in the table below. Castalia has noted that this figure has a low evidence certainty as forecasting a complex system and the response of different actors is difficult.

Table 1: NPV (30 years) Cost comparison of the proposed reform and RM system

Cost category	Proposed Reforms	RM System	Net Present Value
Administrative	$13,635,000,000	$16,865,000,000	$3,230,000,000
Compliance	$12,143,000,000	$22,174,000,000	$10,031,000,000
Total	$25,778,000,000	$39,039,000,000	$13,261,000,000

While there will be higher upfront and ongoing costs for central government, this is expected to result in lower ongoing costs for both local government and resource management users.

The overall impact for local government is $4.375 billion in NPV savings from administrative and compliance costs.

The aggregate impact on resource management users is $9.907 billion in net present benefits attributed to compliance cost savings, and the impact on iwi/Māori is $324 million in net present terms through reduced compliance costs.

Wider economic impacts

A stable, effective and efficient resource management system, if implemented effectively, will support economic growth and improve living standards. The Ministry has identified three key benefits associated with the recommended reforms. These benefits are:

1. improving certainty for developers, investors and resilient communities
2. better environmental outcomes and more efficient resource use
3. a faster, more efficient, resource management system for users.

Table 2 identifies the key reforms (ie, the overall impact of prior cabinet decisions and delegated decision maker decisions) contributing to the delivery of these benefits and the efficiency that this generates.

Table 2 Summary table of how RM reforms contribute to economic efficiencies

Benefit	Reforms contributing to this benefit	Impact on economic efficiency
Improved certainty for developers and investors, and more resilient communities	• Spatial plans provide for thirty years of housing and infrastructure needs. • Greater standardisation of planning rules across New Zealand. • Strong national direction results in less discretion on individual consents. • Fewer opportunities for litigation and a Planning Tribunal to quickly arbitrate minor matters. • Limited ability to develop in hazard prone areas without adequate mitigations.	Technical, productive, allocative and dynamic
Better environmental outcomes and more efficient resource use	• Clear environmental limits enable transparent decisions and trade-offs to be made about the use of the natural environment. • Market-based allocation mechanisms to support natural resources being put to their highest use.	Allocative and dynamic
A faster, more efficient resource management system for users	• General shift in focus away from ex-ante (ie, measures to prevent violations before they occur) consent requirements to ex-post (ie, measures to respond to violations after they have occurred) monitoring and enforcement. • Permits and consents generally only required to manage negative externalities. Note an externality is an action that imposes costs or benefits onto another party, and these costs or benefits are not accounted for in the market	Technical and productive

	transaction ie, externalities are generally not priced.[4] • Fewer factors able to be considered as part of consent process. • Greater reliance on farm plans and permitted activities to manage environmental effects across the agricultural system.	

The Ministry's advice on wider economic impacts, specifically the likely direction and quantum of the dynamic and allocative efficiency gains, has been informed by the Infometrics and Allen + Clarke report, *RM Phase 3 Economic Efficiency Assessment*.

The report identified that significant economic gains are possible when resources can be directed to their highest value use. The report also identified that interventions to address market failures, such as moral hazard associated with development in hazard prone areas or negative externalities associated with natural resource use, can generate long-term economic benefits.

Implementation

How will the chosen option be implemented, who will implement it, and what are the risks?

A transition approach has been designed where instruments in the new system will be made in order of hierarchy. National policy direction and national standards will be made first to direct spatial plans followed by natural environment and land use plan chapters. The legislation will set deadlines for when each of these must be made by, with the system expected to be fully 'turned on' in 2029.

An implementation plan will be published prior to enactment and will include a roadmap with key implementation phases and milestones and outline the roles and responsibilities of key actors.

Due to the need to implement the new system at speed, the implementation approach will prioritise the following:

- identification of critical success factors
- partnering and collaboration with affected people and organisations
- communication and engagement strategy
- build and maintain capability
- adequate resourcing
- targeted support.

A digital enablement programme is underway to respond to longstanding digital and data challenges in the resource management system. The programme aims to make the planning

[4] A common example of a negative externality is a factory creating pollution as a byproduct of their production. This pollution imposes a cost on a third party who is not directly involved in the market transaction.

and the resource management system more accessible, cheaper and smarter through technology and AI.

As part of the digital programme, the Ministry is preparing the minimum digital and data infrastructure needed for the system's implementation on enactment. Achieving the economic benefits of the system will require investment above what is planned for enactment. A programme business case is being developed to support future investment, data procurement and budget bids.

The main risk associated with the timing of the transition to the new system is the ability of organisations, principally local government, to have sufficient resource to develop the components of the new system while continuing to administer the current system. Other risks include:

- culture change – changing existing institutional norms and culture
- data and digital maturity levels
- regional plan integration and system alignment challenges
- uncertainty around institutional settings.

The implementation approach is being designed to address these risks as much as possible.

Monitoring evaluation and review

Has a plan been developed for monitoring, evaluation and review?

The system performance monitoring framework is still being developed and will be subject to further advice and Ministerial decisions anticipated by April 2026, prior to implementation.

System performance monitoring will be the domain of the responsible Chief Executive who will have powers and responsibilities to:

- require provision of information to support system performance monitoring
- produce 3-yearly systems performance reports
- undertake strategic reviews into issues of concern or areas of good practice.

The following key elements are likely to be required to enable the performance of the new system to be monitored effectively:

- indicators
- system oversight to support transparency and public confidence, provide government and Parliament with independent advice, keep agencies accountable for their performance and maintain the resilience of the system
- clear Ministerial oversight functions
- clear central government stewardship functions
- specified review and reporting timeframes for plans
- transitional provisions to phase in reporting and review requirements
- involvement of iwi, hapū and Māori groups
- proportionate and appropriate compliance and enforcement of regulatory requirements
- clear roles and responsibilities of local government and other regulatory bodies.

Limitations and Constraints on Analysis

Outline all significant limitations and constraints on the process and content of the SAR

Limitations on policy development and analysis
The development of options for delegated decision makers to consider and the decisions they made were limited by the overall architecture of the new system and high-level decisions agreed by Cabinet.

Limitations on consultation, testing, and stakeholder engagement
Consultation has been limited to targeted engagement. To inform the ongoing development of the proposed legislation, the Ministry has been undertaking ongoing engagement with local government, strategic and practitioner groups as the policy detail is developed, including holding workshops. There has not been time to consult widely or undertake public consultation on the detailed proposals for the Planning Act and NEA. The select committee process will provide an opportunity for public input on the proposed new legislation.

Limitations of cost and benefit assessment
The final reform outcomes will depend heavily on the implementation of the new legislation and institutions. While there is more certainty and clarity in the proposed system design, the SAR outlines and analyses many different issues in a complex system and is subject to significant uncertainty.

Wider economic impacts have not been included in the quantified CBA given the degree of uncertainty. An assessment of these wider impacts is challenging for a number of reasons. These include the wide scope of the resource management system; complexity of interfaces with the wider system including housing and adaptation; implementation dependencies and timeframes; and difficulty in monetising social and environmental values.

I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the chosen option.

Responsible Manager(s) signature:

Sam Tendeter

Manager

7 November 2025

Quality Assurance Statement

Reviewing Agency: Ministry for the Environment and Ministry for Regulation	**QA rating:** partially meets

Panel Comment: A quality assurance panel with members from the Ministry for the Environment and the Ministry for Regulation have reviewed this Supplementary Analysis Report (SAR) for "Replacing the Resource Management Act 1991 – Further Policy Decisions".

The panel considers that it **partially meets** the Quality Assurance criteria. Given the complexity of the policy area, the time constraints, and the number of delegated decisions covered by the SAR, the document is complete, clear and concise. However, the SAR does not consistently or clearly set out the trade-offs inherent in the policy decisions, which affects its ability to meet the 'balanced' aspect of the 'convincing' criteria. The SAR acknowledges that consultation to date has been limited, but there has been targeted engagement. The panel notes that opportunities for public input will arise through the select committee process and secondary legislation.

Section 1: Diagnosing the policy problem

1. In March 2025 the Ministry for the Environment provided: *Regulatory Impact Statement: Replacing the Resource Management Act 1991*.[5] The earlier RIS provided a detailed analysis of the current resource management system and policy problem.
2. This SAR does not repeat the detailed analysis of the current state but does briefly summarise the context and set out the policy problems from the RIS. The delegated decisions outlined in this SAR address the same core problems.

What is the context behind the policy problem and how is the status quo expected to develop?

3. The Resource Management Act 1991 (RMA) is the principal statute for managing New Zealand's built and natural environments, including the coastal marine area out to the 12 nautical mile limit. It sets the framework for central and local government to sustainably manage natural and physical resources.
4. The RMA integrates land use planning and the management of environmental effects including natural environmental protections and natural resource allocation. The system is intended to address market failures associated both with the impact on the natural environment of human activity, including development, and the poor outcomes that would arise if a land use planning system were not in place – such as insufficient infrastructure capacity and incompatible neighbouring land uses.
5. Additional context about why we need a resource management system can be found in the March 2025 RIS.

What is the policy problem or opportunity?

6. There is a range of reasons the current system is not working as intended and outcomes of the system are not being achieved. The following points outline the problems as they are observed (symptoms) and the underlying causes of the problem.
    a) Symptom 1: **Costs are high for system users.**
        i) The time and cost of obtaining resource consents for major projects have substantially increased over the past decade. The costs of consenting have increased 70 per cent between 2014 and 2019 and infrastructure consents cost $1.3 billion per year.[6] Consent costs equate to 5.5 per cent of total project costs, and international benchmarking has shown this to be at the extreme end of approval costs. The time to get a consent decision also increased by 150 per cent from 2010-14 to 2021.[7]
        ii) The system is more costly for regulators and users than it needs to be. Administrative and compliance costs of the current resource

[5] Ministry for the Environment, *Regulatory Impact Statement: Replacing the Resource Management Act 1991, March 2025*

[6] Sapere. 2021. *The cost of consenting infrastructure projects in New Zealand: A report for The New Zealand Infrastructure Commission / Te Waihanga*.

[7] Sapere. 2021. *The cost of consenting infrastructure projects in New Zealand: A report for The New Zealand Infrastructure Commission / Te Waihanga*.

management system have been estimated to be $39 billion (present value, estimated over a 30-year time frame).

iii) Key causes of this issue are the low barrier of entry for managing effects and a lack of good data. These factors have led to more matters being regulated, more people involved in consenting processes, and increasing risk-averse behaviour of councils.

b) Symptom 2: **Insufficient housing and infrastructure have been enabled.** The time it takes to rezone land for development and the time and cost of consenting are both direct contributors to housing costs and New Zealand's $104 billion infrastructure deficit.[8] Key causes of this issue include risk-averse behaviour, negative externalities from the regulation of land use, adversarial system, and lack of long-term planning.

c) Symptom 3: **The natural environment is degraded and poorly managed.**

i) The natural environment continues to degrade, which impacts our economy and society. There has been an ongoing decline in freshwater quality and continued loss of indigenous biodiversity since the RMA was introduced. Ninety per cent of our natural wetlands, and two-thirds of our indigenous forest extent has been lost, along with the ecosystem services they provide. Poor air and water quality in some locations contributed towards adverse health outcomes.[9]

ii) A key cause of this issue is that cumulative environmental effects have been inadequately managed because environmental limits have not been defined. In addition, a first in first served approach to allocation of natural resources fails to incentivise efficient use of natural resources.

d) Symptom 4: **The planning system is not adequately equipped to deal with natural hazard events that we continue to experience.**

i) Key causes of this problem include a lack of long-term planning.

ii) Although the RMA requires local authorities to manage significant risk from natural hazards when making plans and assessing resource consent applications for future development, it does not provide a process to follow. Local authorities have developed their own, inconsistent, approaches that, in some cases, have allowed development in areas at risk from natural hazards (without appropriate measures being taken to reduce risk), and in other cases, have prevented appropriate development.

iii) Climate change is increasing risks from natural hazards. The RMA is not designed to support climate adaptation for existing homes and other structures.

e) Problem 1: **The broad purpose and scope of the RMA**.

i) The Act has the purpose of sustainable management of natural and physical resources and manages a range of topics that vary in impact and significance, meaning that almost any activity is within its scope. This can detract focus away from the matters of most importance.

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[8] Sense Partners. 2021. *New Zealand's infrastructure challenge: Quantifying the gap and path to close it.* Retrieved from https://media.umbraco.io/te-waihanga-30-year-strategy/lhhm5gou/new-zealands-infrastructure-challenge-quantifying-the-gap.pdf.

[9] Ministry for the Environment & Stats NZ. 2022). *New Zealand's Environmental Reporting Series: Environment Aotearoa 2022.* Retrieved from https://environment.govt.nz/assets/publications/Environmental-Reporting/environment-aotearoa-2022.pdf.

ii) There is a low barrier to entry for managing effects. The RMA currently only discounts adverse effects that are 'de minimis' (trivial or negligible) and requires minor adverse effects to be considered when developing rules in plans and in determining who is an affected party in a resource consent process. This approach in the RMA means that both central government and local authorities have regulated a wide range of matters that may be best addressed using other tools or not regulated at all. This has also led to a low barrier of entry for who can be involved in the consenting process. It has resulted in risk-averse behaviour by local authorities and people involved in processes when there are no real effects on them or their property.

f) Problem 2: **The system is generally adversarial**. It is considered that many plans have been poorly drafted and too slow to change, partly due to the multiple avenues available to relitigate decisions. Some regional plans have been in progress for over a decade.[10] As noted above, there is a low barrier to entry for people to get involved in consenting processes, including in cases when there are no real effects on them or their property.

g) Problem 3: **Inconsistent processes and rules across the country** that do not realise the potential efficiency benefits from standardisation (and create complexity for system users). Planning processes and provisions are inconsistent across the country, and even within regions, making it hard for system users and adding costs for local authorities who each need to create their own rules and conditions. While the current system provides for national direction, the Government considers that central government has not made the best use of the RMA. The Cabinet paper establishing the current phase of reforms states that "national direction intended to guide the system, totalling 29 instruments, has been poorly focused, produced numerous conflicting obligations, lacks coherence, and has been hamstrung by a precautionary approach which limits the use of practical and repeatable solutions to manage effects". Furthermore, with no statutory requirement for or standard approach to spatial planning, there are inconsistent approaches to data, evidence, scenarios, and assumptions.

h) Problem 4: **An overreliance on resource consents**. A widespread use of case-by-case decision making through resource consents, rather than through plans is the result of a lack of good data and a risk-averse approach to implementation. This has led to poor management of cumulative environmental effects. An overemphasis on managing the effects of activities under the RMA has led to a lack of longer-term strategic planning. The focus on authorising individual activities through unique consent conditions has meant comparatively less effort is spent ensuring conditions and other regulatory requirements are complied with.

i) Problem 5: **Lack of defined environmental limits, good data, evidence and monitoring.** There is inadequate management of cumulative environmental effects because environmental limits have not been defined. A lack of good data, evidence and ongoing monitoring and risk-averse behaviours by both local authorities and resource users has meant that limits for the use of natural

[10] Development of the Waikato Regional Plan Change 1 began in 2012 and is still subject to ongoing appeals. Proposed Waikato Regional Plan Change 1 (PC1) | Waikato Regional Council

resources have not been set, and natural resources have been degraded. Without clear limits, activity and effects-based rules cannot adequately account for the cumulative impact of activities they enable and over time, may result in significant impacts on the natural environment and the ecosystem services it provides, as well as contributing to poor human health outcomes.

j) Problem 6: **A first in first served approach to allocation of natural resources** which fails to incentivise efficient use of natural resources. Where a resource is fully allocated, new users cannot access resources, even when they might be more efficient and have higher value uses than existing users. This has been a particular issue for Māori.

k) Problem 7: **No strategic framework for spatial planning.** While spatial planning is a growing practice, it is mostly voluntary, and spatial plans do not have strong weight to support their flow through into regulatory and funding plans. This has resulted in planning addressing the here and now, rather than taking a long-term approach to the changing needs of communities.

What objectives are sought in relation to the policy problem?

7. Cabinet agreed that the following objectives will guide the work to replace the RMA:
   a) making it easier to get things done by:
      i) unlocking development capacity for housing and business growth
      ii) enabling delivery of high-quality infrastructure for the future, including doubling renewable energy
      iii) enabling primary sector growth and development (including aquaculture, forestry, pastoral, horticulture, and mining)
   b) while also:
      i) safeguarding the environment and human health
      ii) adapting to the effects of climate change and reducing the risks from natural hazards
      iii) improving regulatory quality in the resource management system
      iv) upholding Treaty of Waitangi settlements and other related arrangements.

What consultation and engagement has been undertaken?

8. Targeted engagement occurred in 2025 as part of the policy development process.
9. Given the timeframe for enactment, engagement was limited, with the select committee to be used as the main platform for the public to have their say on the new Bills.
10. As the Ministry prepared briefings on 26 different topics for the Minister Responsible for RMA Reform and the Under-Secretary, we engaged with the following:
    a) central government agencies
    b) Māori groups including Te Tai Kaha, Pou Taiao and post-settlement governance entities (PSGEs)
    c) key local government strategic and practitioner advisory groups
    d) resource management practitioners and environment technicians.
11. Between April and mid-September 2025, the Ministry met with approximately 55 PSGEs to inform them about the proposals for the new system. Hui were either solely focused on resource management reform or it formed part of a wider agenda. PSGE feedback was recorded and has informed ongoing policy development.

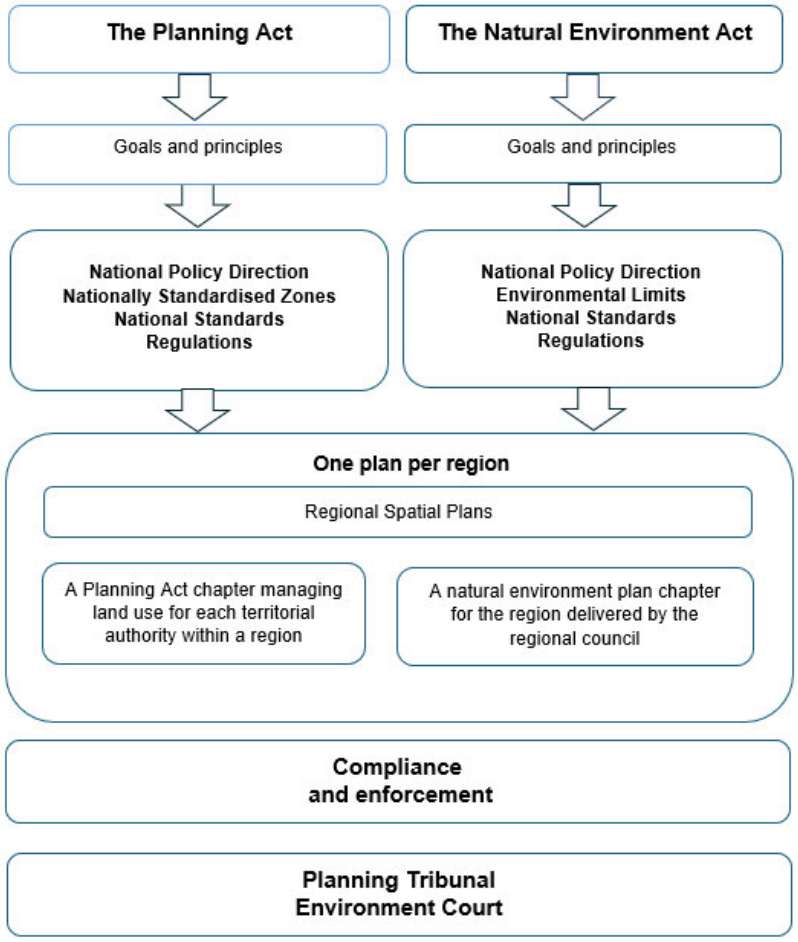
12. The Ministry has also contacted groups yet to settle their historical Treaty claims to offer to meet to discuss resource management reform. A small number of meetings have taken place, including with ngā hapū o Ngāpuhi.
13. Te Tai Kaha, a collective comprising New Zealand Māori Council, the Federation of Māori Authorities and Ngā Kaiārahi o te Mana o te Wai Māori (formerly Kahui Wai Māori).) has a formal relationship with the Ministry and is contracted to provide advice on resource management reform, among other topics. The Ministry began engaging with Te Tai Kaha technicians in March 2025, meeting fortnightly or weekly to discuss key policy proposals, sharing draft versions of advice to delegated decision makers, and reflecting Te Tai Kaha views and concerns to decision makers in briefings.
14. The Ministry also held discussions with advisors from Pou Taiao (environmental pou of the National Iwi Chairs Forum) on new legislation to replace the RMA. The Ministry has continued to share relevant draft briefings and other information with them, but they have not met with the Ministry since May 2025.
15. Between March and October 2025, regular meetings were held with local government strategic and practitioner advisory groups to provide them with updates and test policy proposals on different topics prior to delegated decisions being sought.
16. A series of forums held with the infrastructure, development, energy and primary sectors also provided an opportunity to get feedback on key aspects of the system.
17. In August through to November 2025, a series of meetings with key partners and stakeholders occurred to test their response to the whole system as developed in the series of briefings mentioned above.
18. Feedback received throughout all of this engagement is summarised in the relevant policy matter sections below. The feedback was included in briefings to delegated decision makers seeking policy decisions.

Section 2: Assessing the option chosen to address the policy problem

What scope was the chosen option considered within?

19. In August 2024, Cabinet agreed to a work programme to replace the RMA. This included setting principles to guide the development of proposals, a proposed system architecture, and the establishment of an Expert Advisory Group (EAG) to provide views to the Minister Responsible for RMA Reform on the structure of new resource management legislation.
20. The EAG was convened in September 2024 and delivered its report, *Blueprint for resource management reform* in draft in December 2024 (finalised in February 2025).
21. In March 2025, Cabinet made further decisions on system architecture based on the Blueprint and supported by a Regulatory Impact Statement. Cabinet noted that further detailed decisions on these aspects would be required. Cabinet agreed to a two–act structure as shown in Figure 1.

Figure 1 Structure and mechanisms for decision making



22. In March 2025, Cabinet agreed to the following key elements of new legislation:
    a) establish two acts with clear and distinct purposes
    b) narrow the scope of the resource management system and the effects it controls, with the enjoyment of property rights as the guiding principle

c) provide for greater use of national standards to reduce the need for resource consents
d) strengthen and clarify the role of environmental limits and how they are to be developed
e) use spatial planning and a simplified designation process to lower the cost of future infrastructure
f) realise efficiencies by requiring one combined plan per region
g) provide for rapid, low-cost resolution of disputes between neighbours and between property owners and local authorities
h) Treaty of Waitangi and Māori rights and interests.

23. Options presented to and decisions made by delegated decision makers were limited to the scope of the system architecture, key elements and principles agreed to by Cabinet.

Analysis of decisions made by delegated decision makers

24. Delegated decision makers have made decisions across 7 different matters:
    a) Matter 1: Direction-setting and scope of system
    b) Matter 2: Environmental limits and allocation of natural resources
    c) Matter 3: Spatial planning
    d) Matter 4: Regulatory Plan-making (plans, consenting, designations, planning tribunal and regulatory relief)
    e) Matter 5: Treaty provisions and upholding Treaty settlements
    f) Matter 6: Specific regimes (heritage and water conservation orders)
    g) Matter 7: Compliance and enforcement.
25. Decisions have also been made about cost recovery provisions. These are set out in a Stage 1 Cost Recovery Impact Statement for delegated decisions, provided in Appendix 2.
26. The sections below provide an overview and assessment of the decisions made under each matter. Further decisions made by delegated decision makers are discussed in Section 3: Delivering the chosen option.
27. Additional context for the decisions, including relevant decisions previously made by Cabinet, are discussed in Appendix 3.
28. The following scale (see Table 3) has been used for the assessment of the policy decisions against the reform objectives (other than for cost recovery, which has its own Cost Recovery Impact Statement in Appendix 2).

Table 3 Policy assessment scale

Rating	Policy assessment description
++	Strong alignment – meets most or all objectives to a significant degree. Demonstrates clear, measurable impact across key areas
+	Good alignment – meets many objectives. Positive impact is evident, though some objectives may be partially addressed or require further development
0	Moderate alignment – meets some objectives. Mixed results or moderate impact.
-	Meets few objectives. Limited or unclear impact. May conflict with some objectives.

--	Meets very few or none of the objectives. Misaligned with intent. High risk or negative consequences likely.

Matter 1: Direction-setting and scope of system

The problems that delegated decisions will address

29. Delegated decisions on direction-setting and scope of system address the following symptoms and problems:[11]
    a) Symptom 1: Costs are high for system users and regulators
    b) Symptom 2: Insufficient housing and infrastructure have been enabled
    c) Symptom 3: The natural environment is degraded and poorly managed
    d) Symptom 4: The planning system is not adequately equipped to deal with natural hazard events that we continue to experience
    e) Problem 1: The broad purpose and scope of the RMA
    f) Problem 3: Inconsistent processes and rules across the country.

Decisions made by delegated decision makers to address the problems

Purpose, goals and principles

30. Each Act will contain a descriptive purpose clause, reflecting that each Act establishes a 'framework' and describing the general role and intent of each Act.
    a) The purpose of the Planning Act will be: "To establish a framework for planning and regulating the use, development and enjoyment of land".
    b) The purpose of the NEA will be: "To establish a framework for the use, protection and enhancement of the natural environment".
31. The goals of each Act set parameters for what the system needs to achieve and what can be regulated under each Act.
    a) The goals for the Planning Act focus on supporting economic growth and change, ensuring land use does not unreasonably infringe on others, safeguarding communities from the effects of natural hazards, creating well-functioning urban and rural areas, efficient planning for infrastructure, and protecting sensitive areas from inappropriate land use.
    b) The goals for the NEA focus on enabling the use and development of natural resources, safeguarding the life supporting capacity of resources and ecosystems, protecting human health from contaminants, and achieving no net loss of indigenous biodiversity.
32. The goals also act as the starting point for the system's hierarchy. The goals will be given more specificity and particularised through National Policy Direction (NPD) or standards (if there is no relevant national policy direction).
33. Subsequent layers of the system would then give effect to the NPD and decision makers would be prevented from reverting back to the goals. In this way the matters open to debate become progressively more specific and narrow further down the system.
34. Decision-making criteria will apply when the NPD narrows the way in which goals are to be achieved. These criteria include not unreasonably restricting the ability of local authorities to undertake their functions and responsibilities and not resulting in severe and irreversible adverse effects to the natural environment.

[11] See Section 1 for a more detailed explanation of the problems.

35. Another set of criteria will apply when the Minister is providing direction that helps to resolve conflicts between the goals of both Acts. These criteria are about enabling development within environmental limits and considering the current and long-term impact of the proposed NPD on the natural and built environment and people.
36. The Acts will include a set of procedural principles. These principles are intended to apply to all decisions under both Acts and embed good planning practice. Decision makers will be required to take all practicable steps to adhere to the procedural principles.
37. The procedural principles are to:
    a) be succinct in all written materials and use plain language so that documents are accessible to the public
    b) act in a timely, cost-effective manner
    c) act proportionately to the scale and significance of the issues
    d) have information sufficient and necessary to understand the implications of the decision, weighing the cost and feasibility of obtaining information with the scale and significance of the decision
    e) act in an enabling manner in accordance with the goals and principles.

National instruments

38. National Policy Direction
    a) The purpose of the NPDs for each Act will be to provide nationally consistent objectives and policies to particularise the goals of each Act
    b) The Acts will set mandatory topics for the NPDs
    c) The Minister must consider specific decision-making criteria when developing NPD content. The decision-making criteria that will apply to all decisions on the NPD are to give preference to promoting compatibility between goals where practicable and not needing to always achieve all goals in all places at all times
    d) NPDs must be concise, targeted documents providing objectives and policies only on matters of national priority. The overall suite of national instruments should be cohesive.
    e) The responsible Ministers will determine how the NPDs will be monitored and reviewed.
39. National standards
    a) National standards will cover a wide, but defined range of matters:
        i) rules to regulate an activity or the effects of an activity
        ii) standardised zones (Planning Act) and overlays (both Acts)
        iii) standard methods for developing and implementing planning provisions
        iv) environmental limits (NEA)
        v) a wide range of standardised plan content, including definitions, objectives, policies, rules, standards for e-planning
        vi) standard consent conditions
        vii) standards for evidence and analytical inputs to plans.
    b) The responsible Ministers must consider specific principles when developing or amending national standards
    c) Collaboration with industry will be enabled for the development or review of sector-specific standards.
40. Regulations can cover matters including allocation methods, emergency or urgent response provisions, and other matters currently set out in the RMA.
41. NPD and national standards will be developed using a public consultation process (except for minor technical changes) and will not need to be drafted by the

Parliamentary Counsel Office (PCO). There will be a single decision-maker for national instruments under the Planning Act and the NEA (with joint decision-making and/or consultation for some topics delegated through standard Cabinet processes).

42. Iwi authorities must be pre-notified of national policy direction and national standard proposals, and their views considered, as well as being notified and having their views considered during public consultation. Note this requirement does not apply to the first suite of national instruments (see Section 3: How will the proposal be implemented?).
43. Existing national direction will be transitioned into the new system where appropriate and with any necessary changes to ensure they function effectively within the new framework.

Effects management

44. Legislation will specifically exclude certain effects from being managed by the legislation. This will reduce the scope of the Acts.
45. Less than minor effects will not be able to be considered in consenting decisions unless they have a larger cumulative effect.
46. New thresholds will be introduced for determining who is an affected party.
47. It will be mandatory to consider the permitted level of development of a site created by plan provisions when determining who is an affected party and when making decisions on consents.
48. Adverse effects must be avoided, minimised, or remedied where practicable and offset or compensated for where applicable. 'Minimised' replaces 'mitigate' used in the RMA. There is no inherent hierarchy in the approaches.

How the delegated decisions address the problem

49. Table 4 below sets out how delegated decisions on direction-setting and scope of the system address the symptoms and causes of the problem.

Table 4: Problems addressed by decisions on direction-setting and scope of system

Problem addressed through matter	How delegated decisions address problem
Symptom 1: Costs are high for system users and regulators	The proposed procedural principles require consideration of the costs in decision making.
Symptom 2: Insufficient housing and infrastructure have been enabled	The Planning Act's proposed purpose and goals have a focus on supporting development.
Symptom 3: The natural environment is degraded and poorly managed	The NEA has a proposed purpose around protecting and enhancing the natural environment.
Symptom 4: The planning system is not adequately equipped to deal with natural hazard events that we continue to experience.	The Planning Act has a proposed goal of keeping communities safe from natural hazards, and through providing natural policy direction on that goal.
Problem 1: The broad purpose and scope of the RMA	Proposed purpose and goals in both Acts will set the scope for what is managed. Decisions to limits the effects that are managed in the system.

Problem 3: Inconsistent processes and rules across the country	National policy direction and national standards will guide the development of plans, including standards content and methods that must be used in all plans.

Stakeholder feedback

50. Government agencies were consulted with in relation to all parts of this policy matter.
51. Government agencies broadly supported that legislated goals should not need to apply to every decision-making process and that goals should work with other provisions to achieve the overall policy intention of the legislation. They had some concerns on the narrowness of the scope of specific goals; some minor wording changes were made to address these concerns.
52. Government agency feedback on the national instruments included requests for specific topic areas to be given more explicit attention. There was broad support for the flexibility provided by not requiring PCO to draft NPD and national standards.
53. In relation to effects management, government agencies:
    a) supported the intention of limiting the scope of effects managed and supported offsetting and compensation being clarified
    b) sought clarification of how cumulative effects are managed, including what de minimis (trivial or negligible) effects are likely to have a cumulative effect under the Planning Act
    c) suggested the definition of effect should limit effects to externalities rather than 'any' effect
    d) sought improvements to criteria used to determine which effects are managed under the system.
54. Te Tai Kaha also provided feedback on effects management. They:
    a) sought clarification on how the shift to externalities would impact decision-making. They were concerned it could result in balancing one effect against another and prejudice decision-makers towards effects that can be considered in economic terms
    b) noted there needs to be clear methods for how decision-makers assess effects, including for effects on things outside the scope of environmental limits such as taonga and social effects on communities.

Key alternative options considered by delegated decision makers

55. Delegated decision makers received advice on the following:
    a) having policy purpose clauses setting out the broader policy rationale and context of objectives that the Act will achieve (the RMA includes a policy purpose clause). The RMA's policy purpose clause has led to years of debate.
    b) different ways to consider and word the goals for the Planning Act and NEA. Decision makers discussed and did not proceed with the alternatives.
    c) other options to narrow the scope of adverse effects managed, including introducing a simple definition of externalities which will be managed and applying criteria to determine if the legislation should manage an effect. Both options may not be sufficient to narrow the system to meet Cabinet's intent.
    d) setting the threshold for identifying an affected person at significant (as opposed to 'minor' or 'more than minor'). This was considered not needed given other changes in the new system such as the reduction in what can be considered effects and the level of standardisation in the new system.

Impact of decisions on this matter

56. This approach will contribute to a narrower scope of the system and is expected to result in more clarity and could result in reduced litigation.

Table 5 Direction-setting and scope of system assessment against objectives

Reform objective	Assessment	Rating *[++, +, 0, -, --]*
Making it easier to get things done by: • unlocking development capacity for housing and business growth • enabling delivery of high-quality infrastructure for the future, including doubling renewable energy • enabling primary sector growth and development (including aquaculture, forestry, pastoral, horticulture and mining)	The purpose and goals of the new system explicitly reflect the reform objectives and will provide clarity on what is intended to be provided for and achieved through the system. National instruments in the new system will provide for greater standardisation, clarity and efficiency at the regional and local level to achieve the goals of the legislation. This will enable better housing and infrastructure, while protecting the natural environment. The approach to effects management will make it easier to get things done by narrowing the scope of effects that are managed in the new system. However, keeping the same language (less than minor, minor etc) as the RMA may not result in the desired level of change. Together these components are assessed as having strong alignment with the objectives. The components collectively provide clearer and stronger direction at the top of the system, and support more efficient decision-making processes throughout.	++
while also: • safeguarding the environment and human health • adapting to the effects of climate change and reducing the risks from natural hazards • improving regulatory quality in the resource management system	The purpose and goals of the new system explicitly reflect the reform objectives and will provide clarity on what is intended to be provided for and achieved through the system. There will be a suite of natural hazard national instruments in the new system to guide local authorities in adapting to the effects of climate change and reducing risks from natural hazards. Content on natural hazards will be included in the NPDs, national standards and regulations.	++

• upholding Treaty of Waitangi settlements and other related arrangements.	National standards will include content for environmental limits to more effectively safeguard the life-supporting capacity of the natural environment and protect human health. National instruments will improve regulatory quality in the system by providing direction to local authorities and a range of standardised plan content and methodologies to be used in plan-making and decision-making. The overall framework provided by goals and approach to national instruments are assessed as having strong alignment with these objectives. A key dependency is the implementation of national instruments.	

Matter 2: Environmental limits and allocation of natural resources

The problems that delegated decisions will address

57. Delegated decisions on limits and allocation address the following symptoms and problems:[12]
    a) Symptom 1: Costs are high for system users and regulators
    b) Symptom 3: The natural environment is degraded and poorly managed
    c) Problem 4: An overreliance on resource consents
    d) Problem 5: Lack of defined environmental limits, good data, evidence and monitoring
    e) Problem 6: A first in first served approach to allocation of natural resources which fails to incentivise efficient use.

Decisions made by delegated decision makers

58. The purpose of environmental limits is to protect the values of human health and the life-supporting capacity of the natural environment.
59. The decision maker must be satisfied that the limit protects either human health or the life supporting capacity of the natural environment, and that the other goals of the NEA have been considered.
60. The NEA will require environment limits to be set for attributes within and across the domains of water (freshwater and coastal), land and soil, indigenous biodiversity, and air.
61. Limits must be expressed as either a biophysical state or an amount of harm or stress that may be permitted.
62. The NEA will set the following requirements for decision-makers when setting limits or their methodologies:
    a) prioritise setting limits to address the most urgent and important issues

[12] See Section 1: Diagnosing the policy problem for a more detailed explanation of the problems

b) identify the biophysical measurable characteristics (known as attributes) that are to be managed within each of the mandatory domains
c) consider the capacity of the natural environment to absorb pressure from resource use (including cumulative effects)
d) base limits on best available information
e) a lack of full scientific certainty should not delay the setting of limits needed to prevent significant and irreversible harm
f) for attributes relating to human health, the responsible Minister will set limits at a level informed by relevant health guidelines published by the Ministry of Health or advised by the Minister of Health.

63. The responsible Minister must set, through national standards, management units and/or prescribe the methods for regional councils to set management units in plans, using the following criteria:
    a) every environmental limit must be associated with a management unit
    b) the management unit's size and location are appropriate for the limit to achieve its purpose
    c) the management unit is determined using scientific knowledge and evidence.
64. The responsible Minister must set, through national standards, how a cap on resource use or an action plan (where a cap is not effective) should be set.
65. The responsible Minister must set national standards for managing existing overallocation, including where a council must:
    a) make public any breaches of limits or overallocations of resources
    b) make public the cause and extent of the breach/overallocation
    c) set out a plan for how the council will manage back to the limits and when compliance with the limit, and associated allocable quantum, is expected to be achieved.
66. When making national policy direction and national standards, decision-makers must use reasonable endeavours to ensure the use of natural resources occurs within environmental limits.
67. Natural environment plans must be prepared and implemented to ensure that environmental limits are not exceeded.
68. Legislation will provide a pathway to enable critical infrastructure in specific situations where it is not possible to avoid breaching an environmental limit.
69. For decisions on major projects made under the Fast Track Approvals Act (FTAA), adverse impacts associated with a breach of environmental limits will be weighed against project benefits by each FTAA panel.
70. The new allocation framework will apply to the taking or use of water, taking or use of heat or energy from water or the material surrounding geothermal water, discharges to water or air, occupation of space in the common marine and coastal area, and the extraction of natural materials. To speed up the transition to new allocation methods, the NEA will allow councils to reduce the amount of a resource allocated in existing permits. The process will be set out in regulations.

How the delegated decisions address the problem

71. Table 6 below sets out how delegated decisions on environmental limits and allocation of natural resources address the symptoms and causes of the problem.

Table 6 Problems addressed by decisions on environmental limits and allocation of natural resources

Problem addressed through matter	How delegated decisions address problem
Symptom 3: The natural environment is degraded and poorly managed	By requiring environmental limits to be set to protect the life-supporting capacity of the natural environment and human health and by requiring standards for managing overallocation.
Problem 4: An overreliance on resource consents.	Detailed decisions on the limits framework are intended to reduce reliance on consenting. Environmental limits will set out where development can be enabled. Where the risk of limits being breached is lower, regulation and consent requirements can be lighter, with more use of other tools such as standards and farm plans.
Problem 5: Lack of defined environmental limits, good data, evidence and monitoring	Limits must be set for the domains of water (freshwater and coastal), land and soil, indigenous biodiversity, and air. Limits, and the management units they are associated with, must be based on best available information, scientific knowledge and evidence.
Problem 6: A first in first served approach to allocation of natural resources which fails to incentivise efficient use	A range of new allocation methods will be enabled for the resources listed above, which can provide ways to incentivise efficient use of those resources. Reducing existing allocations may allow resources to be re-allocated to more efficient uses.

Stakeholder feedback

72. Engagement on some or all aspects of this matter was undertaken with government agencies and Te Uru Kahika (Regional and Unitary Councils Aotearoa), Pou Taiao, Te Tai Kaha, some Post-Settlement Governance Entities and Independent Expert Advisors.
73. There is general support for an environmental limits framework.
74. Pou Taiao and Te Tai Kaha were concerned that there will be insufficient environmental protection, to a degree that social and economic wellbeing is undermined.
75. Regional council representatives (via Te Uru Kahika) were concerned that the cost of administering new allocation methods may outweigh the benefits and considered that charging for natural resource use should be the key mechanisms to incentivise efficient use of resources and address over-allocation.
76. Amongst government agencies there were diverse views on the level of protection environmental limits should provide and whether the legislation should enable balancing environmental protection with other goals or values, and whether there should be any form of mechanism in the system to allow for exceptions or flexibility when needed.
77. On allocation, feedback from government agencies included:
    a) Concern that a new allocation system would create investment uncertainty and have significant impacts on existing users
    b) Some general support for a new allocation system that provides a broader range of allocation methods, tools to address over-allocation and charges to support environmental improvements.

Key alternative options considered by delegated decision makers

78. Delegated decision-makers received advice on and did not proceed with alternative options for eight areas of environmental limits and allocation of natural resources policy:
    a) alternative purpose of environmental limits – 'the purpose of environmental limits is to protect human health and ecosystem health'
    b) not enabling consideration of NEA goals in decision-making on limits
    c) alternative list of mandatory domains – water (freshwater and coastal), soil, ecosystems and air
    d) including provisions in the NEA on how and when capping of resource use and action plans should be applied
    e) provisions to enable councils to adjust existing consents to enable faster transition to new allocation approaches
    f) the scope of resources covered by allocation provisions
    g) requiring fast-track projects to comply with environmental limits, unless they qualify for the exemption pathway for infrastructure. This was the Ministry's recommended option as it would provide more certainty and a better opportunity to protect a credible limits framework.

Impact of decisions on this matter

79. The proposed approach to environmental limits supports increased standardisation while enabling local decision making on limits to protect the life-supporting capacity of the natural environment and provides certainty and consistency to all system users. The approach balances enabling development (by providing certainty about where and how development should be enabled) and safe-guarding the environment.

Table 7 Environmental limits and allocation of natural resources assessment against objectives

Reform objective	**Assessment**	**Rating** *[++, +, 0, -, --]*
Making it easier to get things done by: • unlocking development capacity for housing and business growth • enabling delivery of high-quality infrastructure for the future, including doubling renewable energy • enabling primary sector growth and development (including aquaculture, forestry, pastoral, horticulture and mining)	Standardising how environmental limits are set and managed through national instruments will provide certainty for all system users to better plan for and enable development, making it easier to get things done: • Environmental limits is a mandatory matter for Spatial Plans and will help determine where development capacity can be unlocked and infrastructure located • Decision-makers must consider the other NEA goals when making decisions on limit setting and methodologies enabling balancing of the use and development of natural	+

	resources with protection and enhancement. Providing a mechanism to allow critical infrastructure to be delivered where it is not possible to do so without breaching environmental limits will help enable delivery of high-quality infrastructure. New allocation approaches can enable growth by improving allocative efficiency, leading to higher value use of resources. Having the ability to introduce these only where it will be worthwhile reduces costs and helps to ensure objectives are achieved. These components of the system are assessed as having good alignment with the objectives. On the one hand development and use is supported through certainty, consideration of other goals in limit setting, and potential for improved allocative efficiency. However, the existence of limits will constrain and impose costs on some development and use.	
while also: • safeguarding the environment and human health • adapting to the effects of climate change and reducing the risks from natural hazards • improving regulatory quality in the resource management system • upholding Treaty of Waitangi settlements and other related arrangements.	Several factors of the environmental limits framework contribute significantly to this objective; • Environmental limits will be set to protect human health and the life-supporting capacity of the natural environment – contributing to safeguarding the environment and human health. • Standardising how limits are set and managed to through national instruments will also support improved regulatory quality. However, there are limitations as to what degree the environmental limits provisions will achieve the objectives: • Consideration of trade-offs when making decisions on environmental limits - decision-makers must balance protection with broader economic, social and environmental considerations when making decisions on limit setting and methodologies. The ability to explicitly	+

	balance different considerations when setting limits acknowledges the inherent trade-offs that need to be weighed when making these decisions. • The mechanism to enable delivery of critical infrastructure in situations where breaching limits cannot be avoided could see the goal of enabling delivery of high-quality infrastructure prioritised over the goal of safeguarding the environment and human health. • The purpose of environmental limits does not include protection from climate related risks. New allocation approaches can help to adapt to climate change by enabling increasingly scarce resources to move to higher value uses. • While greater standardisation of environmental limits setting through national instruments will support improved regulatory quality, the environmental limits framework will require regional councils to set limits for life-supporting capacity and determine how to manage to limits through their regulatory plans. This trade-off to balance central and local government decision making means there may be some variability in how limits are implemented at the local level. The overall framework has been assessed as having good alignment with the objectives. The framework upholds the Treaty and provides protection to the environment. A stronger alignment was not chosen because the flexibility and mechanism to enable critical infrastructure in the framework reduce the level of certainty against the safeguarding environment objective.	

Matter 3: Spatial planning

The problems that delegated decisions will address

80. Delegated decisions on spatial planning address the following symptoms and problems:[13]

[13] See Section 1 Diagnosing the policy problem for a more detailed explanation of the problems.

a) Symptom 2: Insufficient housing and infrastructure have been enabled
b) Problem 2: The system is generally adversarial
c) Problem 7: No strategic framework for spatial planning.

Decisions made by delegated decision makers to address the problems

81. Every region must have a spatial plan. There will be flexibility to include sub-regional or inter-regional planning.
82. The Planning Act will include the following mandatory matters for spatial plans to address:
    a) more than sufficient sequenced urban development
    b) development areas that are being prioritised for public investment
    c) existing and future key infrastructure
    d) other infrastructure services that may be needed to serve future urban areas, without mapping them
    e) infrastructure ancillary activities
    f) where necessary, existing and planned uses that require separation from incompatible activities
    g) the gross pattern of urban, rural, industrial and other development types to the extent required to inform consideration of scenarios and options for future urban development and infrastructure, or to identify where separation of incompatible activities may be required
    h) statutory acknowledgements from Treaty settlement legislation relevant to the region, and sites and areas of significance to Māori, informed by iwi and hapū management plans
    i) environmental constraints and limits.
83. Spatial plans can also cover other matters if they are nationally, regionally or sub-regionally significant and consistent with national instruments. This allows flexibility for local authorities to include matters that are important to their area.
84. The Planning Act will set core process requirements for developing spatial plans, a framework for local authorities to agree how they will work together and with others (including upholding Treaty settlement and other arrangements), and a dispute resolution process.
85. Independent Hearings Panels (IHPs) will hear submissions on spatial plans. The responsible Minister can appoint up to half the members and/or set skills expectations for members.
86. Appeals of decisions will be limited to spatial plan content about infrastructure and where the local authority rejected the IHP's recommendation; appeals on points of law will always be available.
87. Spatial plans must be reviewed and amended at least every 10 years and may be reviewed and amended following significant changes to national instruments or environmental limits, if significant new information becomes available or to maintain alignment with other statutory plans.
88. Central government may be represented on spatial plan committees and must be part of spatial plan secretariats; the responsible Minister may require a draft spatial plan to be audited and may make final decisions alongside local authorities on IHP recommendations that relate to central government priorities or interests.
89. Spatial plans will have strong legal weight over land use and natural environment plan chapters.

How delegated decisions address the problem

90. Table 8 below sets out how delegated decisions on spatial planning address the symptoms and causes of the problem.

Table 8: Problems addressed by decisions on spatial planning

Problem addressed through matter	How delegated decisions address problem
Symptom 2: Insufficient housing and infrastructure have been enabled	By requiring all spatial plans to plan where future housing and infrastructure will be developed and prioritise areas for public investment.
Problem 2: The system is generally adversarial	By limiting appeals to certain matters. By requiring mandatory matters to be included in spatial plans, more strategic issues will be agreed earlier.
Problem 7: No strategic framework for spatial planning	By requiring spatial planning in all regions, setting a framework for developing spatial plans, and giving spatial plans legal weight to support their flow through into plans.

Stakeholder feedback

91. Central government agencies generally supported a strong but flexible approach to central government involvement in spatial planning. The Treasury did not think that central government needs to be involved in spatial planning decision-making and preferred an approach where local authorities could invite central government to be involved.
92. Agencies expressed strong positions on the issue of merit appeals with no consensus view. Some agencies did not support merits appeals and some supported a limited scope for merits appeals. There were differing views on how it should be limited but all were in relation to infrastructure. The decision to limit merits appeals to spatial plan content about infrastructure balances the different views.
93. Te Tai Kaha, Pou Taiao, New Zealand Planning Institute, Local Government New Zealand, Te Uru Kahika and Taituarā were also consulted on spatial planning.
94. Te Tai Kaha said a partnered approach must be prioritised. They were concerned about a lack of line of sight on Māori participation, lack of confidence in the proposed protections for Treaty settlements and inadequacy of Treaty settlement protections to also preserve Māori rights and interests. They also had concerns around the recommended level of central government involvement and how that could undermine accountability and politicise the process. As noted in Matter 5 below, decisions were subsequently made to require spatial plan committees to consult with iwi authorities and have regard to their feedback.
95. Pou Taiao emphasised that limit setting needs to happen first, then spatial planning, then other planning.
96. NZPI, LGNZ, Te Uru Kahika and Taituarā shared this view of limits and felt that constraints mapping could form part of the transition requirements and feed into spatial planning work done later. These groups said that central government involvement is crucial; without central government engagement, there's a risk that spatial plans won't have credibility or effectiveness. They also expressed support for spatial planning to incorporate the designation process where appropriate and possible.
97. NZPI and LGNZ were consulted on the high-level proposals for central government involvement and were broadly supportive of there being central government members on

spatial planning committees and that it be up to the responsible Minister to decide whether they participate on a committee.

Key alternative options considered by delegated decision makers

98. Delegated decision makers received advice on alternative approaches to merits appeals - no merits appeals or merits appeals for any matter where the local authority rejects the IHP's recommendation. The decision to allow merits appeals only for infrastructure content aligns with the approach for spatial plans to be strategic and high-level and recognises that spatial plans will inform long-term plans and regional land transport plans, which are not subject to appeal.
99. Delegated decision makers also received and did not proceed with advice on alternative options for central government's involvement in spatial planning, including whether different aspects of involvement should be mandatory, at the Minister's discretion, by agreement with the local authorities, or subject to criteria. The Ministry recommended that central government involvement in spatial plan secretariats be optional; delegated decision makers decided it should be mandatory.

Impact of decisions on this matter

100. Stronger and more consistent requirements for spatial planning will support better long-term planning for infrastructure, housing and other significant priorities. The proposed approach to spatial planning gives the certainty and consistency needed for spatial plans to have weight to direct regulatory and funding plans, while also recognising local authority autonomy. The approach provides certainty regarding central government involvement with flexibility to have greater or lesser involvement depending on central government's priorities.

Table 9 Spatial planning assessment against objectives

Reform objective	**Assessment**	**Rating** *[++, +, 0, -, --]*
Making it easier to get things done by: • unlocking development capacity for housing and business growth • enabling delivery of high-quality infrastructure for the future, including doubling renewable energy • enabling primary sector growth and development (including aquaculture, forestry, pastoral, horticulture and mining)	Several factors contribute to achievement of the objectives: • Identifying areas suitable for development and prioritising them for investment is a key mandatory matter for spatial plans. Including these in spatial plans is key to unlocking development capacity. • Identifying existing and key future infrastructure and infrastructure services and ancillary activities are part of the mandatory matters for spatial plans. This will be important to enable delivery of high-quality infrastructure. The legislation will not say what forms of infrastructure need to be part of spatial plans, ie, spatial plans will not be required to (but can) include renewable energy infrastructure. • Development of rural areas is not explicitly within scope of spatial plans but could be	++

	part of the optional matters local authorities choose to include. Spatial plans could contribute to enabling primary sector growth and development, but only to the extent that local authorities choose to include relevant matters in their spatial plans. This flexibility provides less certainty against the enabling primary sector objective.	
while also: • safeguarding the environment and human health • adapting to the effects of climate change and reducing the risks from natural hazards • improving regulatory quality in the resource management system • upholding Treaty of Waitangi settlements and other related arrangements.	Several factors contribute to achievement of these objectives: • Environmental limits are a mandatory matter for spatial plans. This will contribute to safeguarding the environment and human health, for example, by prioritising development in areas where it will not breach environmental limits. • Areas at risk from natural hazards will be identified but detailed actions to adapt or reduce risks are not likely to be included in spatial plans (limiting the direct impact spatial plans will have against this objective). • Spatial plans with strong weight over land use and natural environment plan chapters will contribute to improving regulatory quality in the system by reducing re-litigation of decisions at multiple points in the system. • Central government involvement in spatial planning may contribute to higher quality planning.[14] Decisions about the type of involvement and whether it is mandatory or at the Minister's discretion reflect trade-offs between central government direction and local authority responsibility and accountability. • Spatial plans will uphold Treaty settlements and related arrangements because statutory acknowledgement areas in Treaty settlements will be a mandatory matter to be included in spatial plans and local authorities will need to	+

[14] This is a key learning from central government involvement in urban growth partnerships

	agree how their arrangements with Māori under Treaty settlements and marine and coastal area arrangements will be upheld during the process of developing the spatial plan. Overall, the spatial plan framework is assessed as having good alignment with objectives given the inclusion of matters relating to the objectives in the mandatory matters for spatial plans. Alignment was not assessed as being strong given mandatory matters are focused on urban areas and infrastructure, not all rural and natural environment related issues.	

Matter 4: Regulatory Plan-making

The problems that delegated decisions will address

101. Delegated decisions on regulatory plan making address the following symptoms and problems:[15]
    a) Symptom 1: Costs are high for system users and regulators
    b) Problem 1: The broad purpose and scope of the RMA
    c) Problem 2: The system is generally adversarial
    d) Problem 3: Inconsistent process and rules across the country
    e) Problem 4: An overreliance on resource consents.

Decisions made by delegated decision makers

Plan-making (land use and natural environment plans)

102. Land use and natural environment plans will translate the spatial plan, national policy direction and national standards (including standardised zones) into rules.
103. Because the scope of effects managed by the new system will be narrower, the scope of plans will also be narrower. There will be increased national standardisation and shorter timeframes to prepare plans.
104. The key plan making steps in the current system will be broadly retained.
105. Standardisation will reduce the time to make a plan significantly. Decisions on plans are anticipated to be made within 12 months of notification of a proposed plan.
106. Local authorities must consult with iwi authorities as part of targeted pre-consultation and take into account iwi management plans when preparing land use and natural environment plans.
107. One IHP will be established per region to consider submissions and make recommendations on the proposed natural environment and land use plans.
108. IHPs cannot consider submissions that seek to relitigate content in a spatial plan or national instruments.
109. Appeals will be more limited (and must be made within a certain time). Appeals on merits will be available where the local authority rejects an IHP recommendation. Appeals on points of law will be available where a local authority accepts an IHP recommendation.

[15] See Section 1 for a more detailed explanation of the problems

110. Local authorities will be able to set bespoke provisions that deviate from national instruments to address local circumstances. If a local authority includes bespoke provisions in a plan, they must provide a regulatory justification report outlining the rationale for deviating from national instruments. Further submissions and merits appeals are available for bespoke plan provisions. Plans may be audited by the Secretary for the Environment to assess compliance of bespoke provisions with the Acts and national instruments.
111. Plans will be more responsive through agile land release mechanisms which enable land zoning to change without a plan change. Zone changes may also be made through some resource consents. Private plan changes will be allowed after a plan has been operative for one year.
112. Plans must be reviewed and amended at least every 10 years and may be reviewed and amended if there is a change in national instruments or environmental limits or to maintain alignment with the region's spatial plan.

Consenting and permitting

113. The requirement for consents and permits will be narrowed in the new system through:
    a) greater use of the permitted activity category
    b) removing the controlled and non-complying activity
    c) limiting the scope of effects that can be considered when making consent and permit decisions.
114. Consenting and permitting will be streamlined and more certain.
    a) The current alternative consenting pathways will be removed.
    b) Consent and permit processing timeframes will be a statutory window (rather than a specific number of days for all non-notified, limited notified and public notified consent under the RMA). The ability for local authorities to waive or extend timeframes will be narrowed.
    c) Consent and permit duration and lapse periods will be specified with amendments to provide for long-lived infrastructure.
    d) Information requests and the commissioning of expert reports must be justifiable, and the scope of peer reviews will be limited.
115. The intent of notification will be clarified to focus on gathering information, so consenting authorities are better informed about the potential adverse effects of the activity on the environment, and on people who are directly affected. Any notified consent or notice of requirement application must be decided by at least one independent commissioner.
116. The legislation will provide an adaptive management framework to allow activities to proceed in situations where there is imperfect information. Secondary legislation (including national policy direction or national standards) will be able to direct when the framework can be used.
117. Consent and permit duration and lapse periods will be specified with amendments to provide for long-lived infrastructure.

Designations

118. The existing broad process will be retained with improvements. Changes will be made to the pathways to obtain a designation to streamline the system and refocus requirements to provide route or site protection and leave implementation detail to the construction project plan stage.
119. A designation will be able to be obtained through the spatial planning process, an amended version of the existing RMA process, or an indicative spatial plan pathway for future designations. To secure a designation, it will always be necessary to go through the

spatial planning process or the amended version of the existing RMA process if the indicative spatial planning process is used. An assessment of the strategic need for a designation in that location, rather than on alternative sites or routes, will be required.

120. Other improvements will broaden eligibility to propose designations. Core infrastructure operators as defined and approved under the Act are designating authorities. The core infrastructure operator definition will be updated. Other infrastructure operators will be able to apply for eligibility as a designating authority, subject to a higher public benefit test.
121. Some process steps will remain the same.
    a) The designating authority will continue to be the decision maker on proposed designations and construction project plans.
    b) The existing process in the RMA for construction project plans where the local authority provides a recommendation to the designating authority, with no input from third parties, will be retained.
122. Other process steps will be improved.
    a) The designation process steps for local authorities to use when applying for their own proposed designation will be aligned with those applicable to core infrastructure operators.
    b) Designating authorities will have 40 working days to respond to specified requests. If the designating authority refuses the request or does not respond in the timeframe specified, the Planning Tribunal will have jurisdiction to resolve disputes.
    c) Alterations to a designation or proposed designation will be enabled in specified situations.
123. The Planning Act will provide for co-location of infrastructure, joint designation powers between designating authorities, and the permanent or temporary transfer of designations between designating authorities (in whole or in part).

Planning Tribunal and Environment Court

124. A new planning tribunal will be established. The tribunal will provide for a faster, and more cost-effective way of resolving certain, lower-level, disputes between system users and councils. It will provide an additional accountability mechanism to help ensure the new system delivers the desired shifts in planning practice.
125. The key functions of the tribunal will include reviewing administrative decisions made in the processing of consents and permits, for example requests for further information, notification decisions, interpreting consent conditions, and being able to strike out consent conditions that are deemed to be out of scope of the system or ultra vires.
126. Despite the reference in the Cabinet decision to the tribunal resolving disputes between neighbours, delegated decision makers agreed that resolving issues of private nuisance and minor planning disputes between neighbours were out of scope of the tribunal. These will continue to be addressed through existing council processes, including compliance and enforcement mechanisms, and bodies such as the Disputes Tribunal.
127. The tribunal will be established as a division of the Environment Court, with its own Chair and pool of adjudicators.
128. The tribunal will have streamlined processes to support the prompt resolution of matters. The tribunal will be able to confirm, modify, or quash the decision or aspect of decision being reviewed, or send matters back to a local authority for reconsideration. The tribunal will be empowered to regulate its own procedures. There will be a presumption that matters will be decided on the papers unless a hearing is considered necessary.

129. The tribunal will not have a role in hearing appeals on plans, notified consents, or dealing with enforcement matters. These will remain with the Environment Court due to the complexity and stakes involved of these appeals. The ability for the Environment Court to consider direct referrals and nationally significant proposals will be removed from the system.

Relief for the imposition of regulations

130. A regulatory relief framework will be established to ensure the impacts of some planning controls on private landowners are proactively considered and acknowledged with some form of relief during the planning process. The framework will contain the following components:
    a) proactive assessment of impacts and remedies by councils as part of the planning process
    b) voluntary incentives offered by councils
    c) relying on planning processes for submissions, hearings and appeals to provide affected landowners with avenues for input and challenge
    d) a 'backstop' for unforeseen circumstances, similar to RMA section 85,[16] which would be available by application to the Environment Court.
131. The following matters will be subject to the regulatory relief framework: terrestrial indigenous biodiversity / significant natural areas, historic heritage, sites and areas of significance to Māori, high natural character, and outstanding natural features and landscapes.
132. The framework would not apply to any other matters beyond the scope above, including in relation to the application of zones.
133. Local government will administer the regulatory relief framework and be responsible for assessing impacts and providing relief to affected parties.
134. Councils are required to provide relief only once (ie, future landowners cannot 'double dip') and they would have the discretion (subject to national instruments) to determine which tools are best used in each situation from the wide range of existing tools (eg, effective rates relief, bonus development rights, and land swaps).
135. Regulatory justification reports will be required for all planning controls on matters within scope of the regulatory relief framework so councils can show their assessment on specific matters to affected parties (not just where councils deviate from national instruments). It is intended this will be an important tool for constraining regulatory overreach, as it requires policymakers to consider, disclose, and justify the impacts of their policy proposals.

How delegated decisions address the problem

136. Table 10 below sets out how delegated decisions on regulatory plan-making address the symptoms and causes of the problem.

[16] If a plan provision renders land incapable of reasonable use and places an unfair or unreasonable burden on a person who has an interest in that land, under section 85 the Environment Court can direct a local authority to modify, delete or replace the plan provision, or acquire the land if the person with the interest in it agrees.

Table 10: Problems addressed by decisions on regulatory plan-making

Problem addressed through matter	How delegated decisions address problem
Symptom 1: Costs are high for system users.	Consenting and permitting decisions narrow requirements for consents and permits and make those processes more streamlined and certain. Decisions streamline the designation system.
Problem 1: The broad purpose and scope of the RMA	Consenting and permitting decisions limit the scope of effects that can be considered when making consent and permit decisions.
Problem 2: The system is generally adversarial.	Decisions limit what can be appealed or relitigated. Decisions to establish a planning tribunal to more quickly resolve some disputes. Regulatory relief decisions recognise the impact of planning controls and require proactive consideration of the impacts of planning.
Problem 3: Inconsistent process and rules across the country.	Decisions reduce the time it will take to develop plans and increase standardisation of plan content. Decisions on designations align processes for local authorities and core infrastructure operators.
Problem 4: An overreliance on resource consents	Consenting decisions narrow consenting requirements.

Stakeholder feedback

137. Government agencies were largely supportive of the processes proposed for plan-making, consents and permits, and designations.
138. Agencies supported retaining existing designations pathways. Some agencies calling for the new designations process to support corridor protection/advanced site protection.
139. Te Tai Kaha raised some concerns about plan-making, consents and permits, and designations. Te Tai Kaha:
    a) challenge the assumption that lowering the environmental bar will create a less complex system
    b) anticipate the 12-month timeframe for plan development is too short
    c) maintain that consents and permits function as real property and should be acknowledged as such.
140. Several government agencies expressed support for the objectives of the tribunal. Agencies raised some concerns and questions, including:
    a) the high degree of uncertainty over whether the types and numbers of disputes in the new system would justify the cost of setting up and operating a new tribunal
    b) the functions and jurisdiction of the tribunal may overlap with the Environment Court and expanding the jurisdiction of the Court may be more efficient
    c) whether the tribunal could play a greater role in resolving disputes between neighbours rather that jus administrative reviews of local authority decisions.
141. A Local Government Practitioners Group was also consulted on the proposed tribunal. They noted that notification decisions are important to gain clarity on for applicants and people wanting to submit, and opening this up to challenge could add complexity and uncertainty. The group also said the tribunal will need a wide range of skills and perspectives, including local knowledge and te ao Māori.

142. Most government agencies consulted were broadly or partially supporting of making limited changes to the existing remedies regime. Some raised concerns about the risks of an expanded regime and the impacts on local councils and Treaty implications.
143. The Ministry of Housing and Urban Development proposed an option that would empower national instruments to 'turn on' a remedies regime for particular matters when and if the responsible Minister considered it appropriate. Treasury preferred broader consideration of including central government in a regime and an accompanying 'betterment' regime.

Key alternative options considered by delegated decision makers

144. Delegated decision makers received advice on alternative options for the form of the planning tribunal. This included expanding the jurisdiction of the Environment Court rather than establishing a standalone tribunal. This option would not have achieved the level of independence desired for the tribunal.
145. Alternative options were provided to delegated decisions makers on the relief for imposition of regulation that they did not proceed with. A key option considered was to establish a remedies regime (based on section 85 of the RMA) that would be available in respect of controls on land use and development under the Planning Act, and in limited circumstances under the NEA.

Impact of decisions on this matter

146. A narrower resource management system (working as a 'funnel'), and changes such as earlier public participation, implementation of spatial plans, more standardisation, and greater use of permitted activities will enable better plans, and improved consent and designation processes.
147. A planning tribunal will provide for a faster, and more cost-effective way of resolving certain disputes between system users and local authorities, and to provide an additional accountability mechanism to help ensure the system delivers the desired shifts in practice and operates as intended.
148. A regulatory relief framework is likely to have substantial financial impacts for local government that may create tension with their broader financial management obligations.

Table 11 Regulatory plan-making assessment against objectives

Reform objective	Assessment	Rating *[++, +, 0, -, --]*
Making it easier to get things done by: • unlocking development capacity for housing and business growth • enabling delivery of high-quality infrastructure for the future, including doubling renewable energy • enabling primary sector growth and development (including aquaculture,	Plans will unlock development capacity and enable delivery of infrastructure through translating spatial plans and their identification of areas for development and infrastructure into rules. Allowing zone changes without requiring a plan change, including zone changes made through resource consents, will help unlock development capacity, enable delivery of infrastructure and enable primary sector growth and development more quickly.	+

forestry, pastoral, horticulture and mining)	The consenting and permitting system will contribute to unlocking development capacity, enabling delivery of infrastructure and enabling primary sector growth and development through greater use of permitted activities, ie, allowing more activities to be undertaken without requiring a resource consent. The amendments to the designation provisions will assist with unlocking development capacity and the delivery of infrastructure by streamlining the proposed designation process. The combined impact of the above is the removal of complexity, reduction in process costs and increased certainty for users. Together this supports achievement of the reform objectives. The new regulatory relief framework will change how impacts on landowners are considered. This will ensure the burden landowners face is recognised, where, for example, their development potential is limited by planning controls and may allow housing, business and infrastructure development once relief is provided. The combined impact of simpler plan-making, zoning, consenting and designation processes are assessed as having good alignment against the objectives. A significant alignment was not chosen, because of a lesser anticipated impact against the primary growth objective.	
While also: • safeguarding the environment and human health • adapting to the effects of climate change and reducing the risks from natural hazards • improving regulatory quality in the resource management system	Regulatory quality will be improved through narrowing the scope of plans, standardisation of plan content and reducing the time to develop plans. However, these changes reduce the ability of people to participate in decision-making and there is a risk of increased use of judicial review. Plans may contribute to adapting to effects of climate change and reducing risks from natural hazards if they include detailed rules	+

• upholding Treaty of Waitangi settlements and other related arrangements.	regarding areas identified in spatial plans as at risk from natural hazards. Consenting and permitting will be streamlined and more certain, improving regulatory quality in the system. The amendments to the designation provisions will improve regulatory quality by refocusing proposed designations on long-term planning and route or site protection with the implementation details considered at the construction project plan stage. The planning tribunal will play a role in improving the quality of regulation in the resource management system by offering an independent check on the correctness and robustness of local authority decisions. The regulatory relief framework will improve the regulatory quality in the resource management system by balancing workability and fairness, while ensuring the impacts on affected landowners are appropriately acknowledged. It could reduce regulation as it will increase costs for local government to impose regulation. Overall, there is good alignment of these decisions with the objectives. In particular, the decisions support the objective of improving regulatory quality. It is not assessed as having strong alignment as the focus of these matters is not on safeguarding the natural environment or adaptation and natural hazards.	

Matter 5: Treaty provisions and process to uphold Treaty settlements and related arrangements

The problem that delegated decisions will address

149. Delegated decisions on Treaty provisions and process to uphold Treaty settlements and related arrangements address the following symptoms and problems:[17]
    a) Symptom 1: Costs are high for system users and regulators
    b) Symptom 2: Insufficient housing and infrastructure development has been enabled
    c) Problem 1: The broad purpose and scope of the RMA

[17] See Section 1 for a more detailed explanation of the problems

d) Problem 9: No strategic framework for spatial planning.

Decisions made by delegated decision makers

Treaty provisions

150. The Acts will include a goal to provide for Māori interests including through involvement in national instruments, spatial and regulatory planning; the identification and protection of sites of significance; and the protection and development of Māori land.
151. Iwi authorities must be pre-notified of national policy direction and national standard proposals and have the opportunity to express and have their views considered, as well as being notified and having the opportunity to have their views considered during public consultation.
152. Spatial planning committees must, when preparing spatial plans, consider and address statutory acknowledgements and sites of significance; consult with iwi authorities and have regard to their feedback; and have regard to iwi management plans.
153. Local authorities must consult with iwi authorities and take into account iwi management plans when preparing land use and natural environment plan chapters of combined regional plans
154. Designation provisions will include protections for certain classes of Māori land.

Treaty settlements, Ngā Hapū o Ngāti Porou arrangements, and rights under the Takutai Moana Act

155. People exercising functions, powers and duties under the legislation must act consistently with Treaty settlements and the Ngā Hapū o Ngāti Porou arrangements.
156. Specific provisions will ensure RMA-related instruments under the Takutai Moana Act have equivalent effect in the new system.
157. Specific provisions for statutory acknowledgements will be included at the introduction of the legislation.
158. There will be provisions for the Crown and Post-Settlement Governance Entities (PSGEs) to engage on and agree how other settlement arrangements will operate in the new system after enactment.

How delegated decisions address the problem

159. Table 12 below sets out how delegated decisions on Treaty provisions and process to uphold Treaty settlements and related arrangements address the symptoms and causes of the problem.

Table 12: Problems addressed by decisions on Treaty provisions and process to uphold Treaty settlements and related arrangements

Problem addressed through matter	How delegated decisions address problem
Symptom 1: Costs are high for system users and regulators	Providing for iwi authority early in the development of national instruments, spatial plans, and land use and natural environment plans will contribute to more streamlined and cost-efficient resource management processes.
Symptom 2: Insufficient housing and infrastructure development has been enabled	The goal of providing for Māori interests through the protection and development of land should support Māori in developing housing and infrastructure on Māori land.

Problem 1: The broad purpose and scope of the RMA	Clear requirements about involvement of Māori in the new system contributes to overall clarity.
Problem 7: No strategic framework for spatial planning	There are specific requirements for how iwi authorities, statutory acknowledgements and sites of significance and iwi management plans must be involved and considered in spatial planning.

Feedback from Treaty partners

160. Feedback from PSGEs and other Māori groups during the policy process was generally that, while there is support for a more efficient planning and environmental management system, there is also significant concern regarding the extent to which rights under the Treaty are provided for in the new system; the potential impact of changes to sections 6(e), 7(a) and 8 of the RMA on the ability for Treaty settlements to be upheld; and that the new system will prioritise development over environmental protections.

Key alternative options considered by delegated decision makers

161. Delegated decision-makers considered a range of advice on Treaty matters and Treaty settlement-related matters. A high-level summary of recommendations considered and not agreed to is set out below.
    a) multiple options for a potential goal related to Māori interests, including a goal that uses language similar to the language used in section 6(e), 6(g) and 7(a) of the RMA
    b) stronger weighting for iwi management plans in spatial planning
    c) enabling consenting authorities to have regard to iwi management plans where they are relevant to identifying affected parties or a matter relevant to decision-making
    d) providing that various bodies such as independent hearing panels or spatial planning committees must or may include members who represent iwi/hapū and/or have expertise in te ao Māori
    e) carrying forward RMA participation tools for iwi authorities such as Mana Whakahono ā Rohe, joint management agreements and transfers of powers into the new system (although existing ones will be retained).
162. Regarding settlement provisions and the Ngā Hapū o Ngāti Porou arrangements, delegated decision-makers considered and rejected delaying commencement of parts of the replacement legislation by up to 18 months to allow time to reach agreement with relevant groups about how Treaty settlements and the Ngā Hapū o Ngāti Porou arrangements will be upheld in the new system before the replacement legislation comes into force.

Impact of decisions on this matter

163. One of the key reform objectives is to uphold Treaty settlements and related arrangements, and a legislative design principle agreed by Cabinet was to uphold Treaty of Waitangi settlements and the Crown's obligations. The Crown has obligations under the Treaty of Waitangi that are relevant to these decisions.
164. Some decisions taken will support meeting the reform objective related to Treaty settlements. For example, the requirement to act consistently with Treaty settlements and the Ngā Hapū o Ngāti Porou arrangements and provisions for the Crown and PSGEs to engage on and agree how other settlement arrangements will operate in the new system after enactment.

s 9(2)(h) [redacted]

166. The Waitangi Tribunal has found in several inquiries that the RMA is insufficient to uphold the Crown's Treaty obligations in the context of resource management and has recommended a stronger Treaty-related requirements in resource management legislation.[18] The Tribunal's findings and recommendations are based on their findings regarding the importance of the environment, land and other natural resources to Māori, and the importance of the Treaty partnership in resource management.

s 9(2)(g)(i), s 9(2)(f)(iv) [redacted]

s 9(2)(g)(i), s 9(2)(h) [redacted]

Table 13 Treaty provisions and process to uphold Treaty settlements assessment against objectives

Reform objective	Assessment	Rating *[++, +, 0, -, --]*
Making it easier to get things done by: • unlocking development capacity for housing and business growth • enabling delivery of high-quality infrastructure for the future, including doubling renewable energy • enabling primary sector growth and development (including aquaculture, forestry, pastoral, horticulture and mining)	Provisions supporting the objective to uphold settlements have the potential to, in the long term, have a positive impact on making it easier to get things done. If the new legislation is clear about how settlements and related arrangements are upheld, system users will have clarity about what the law requires, which will limit uncertainty that could impede development. In the interim, however, it may be challenging for local authorities to comply with a general requirement to act consistently with Treaty settlements without further guidance or agreements between the Crown and PSGEs about how the more complex arrangements will operate in the new system, which may challenge meeting reform objectives in the short-term.	-

[18] For example: Waitangi Tribunal, *Te Tau Ihu o te Waka a Maui: Report on the Northern South Island Claims*, Wai 785, vol 3, pp 1221-1223; Waitangi Tribunal, *Ko Aotearoa Tenei*, vol 1, pp 284- 285; Waitangi Tribunal, *The Stage 2 Report on the National Freshwater and Geothermal Resources Claim,* Wai 2358, pp 525.

	Some RMA users may consider narrowing the legislative recognition of Māori interests in the new system will cut red tape and therefore support development, enable the delivery of infrastructure and renewable energy, and enable primary sector growth and development. s 9(2)(h) The Ministry's advice during policy development has been that provisions for Māori ancestral relationships with lands and other natural resources and taonga (treasures) are well established in the planning and environmental system. s 9(2)(h)	
while also: • safeguarding the environment and human health • adapting to the effects of climate change and reducing the risks from natural hazards • improving regulatory quality in the resource management system • upholding Treaty of Waitangi settlements and other related arrangements.	Some decisions taken will support the reform objective related to upholding settlements, as stated above. s 9(2)(h)	0

Matter 6: Specific regimes – Heritage and Water Conservation Orders (WCOs)

The problems that delegated decisions will address

169. Delegated decisions on specific regimes (heritage and WCOs) address the following symptoms and problems:[14]
    a) Problem 1: The broad purpose and scope of the RMA
    b) Problem 3: Inconsistent processes and rules across the country.

Decisions made by delegated decision makers

Heritage

170. The design of the new resource management system will reduce the range of effects that can be managed, and this will significantly narrow the way historic heritage is applied. This includes having clearer criteria and higher thresholds for identifying historic heritage and providing better tools to regulate its use.
171. Where criteria are met, it will be easier to repair, maintain, alter and demolish heritage buildings and ensure historic heritage does not unnecessarily limit infrastructure delivery.
172. Urban trees with historic heritage values will be protected through the historic heritage system in the Planning Act. The Act will include clear criteria and definitions to narrow what can be protected to only trees with historic heritage values.

Water Conservation Orders

173. WCOs will be retained in the new system, with process improvements, including transitional provisions to bring existing WCOs into the NEA.
174. The scope of matters for which a WCO can be made will be reduced. Scenic, cultural and spiritual characteristics of a waterbody will no longer be matters that a WCO can be made for.
175. The process for making WCOs under the RMA involved a special tribunal and then full appeal rights to the Environment Court. The Environment Court would then reconsider all the facts considered by the special tribunal and come to its own decision, meaning the same facts are litigated twice. Under the NEA, appeals will be limited to points of law, ie, where the special tribunal has made errors of law.

How delegated decisions address the problem

176. Table 14 below sets out how delegated decisions on specific regimes address the symptoms and causes of the problem:

Table 14: Problems addressed by decisions on specific regimes

Problem addressed through matter	How delegated decisions address problem
Problem 1: The broad purpose and scope of the RMA	Heritage decisions contribute to addressing this problem by narrowing the way historic heritage is applied and narrowing the definition of urban trees that can be protected. WCO decisions narrow the matters for which a WCO can be made.
Problem 3: Inconsistent processes and rules across the country	Heritage decisions contribute to addressing this problem by including clear criteria and high thresholds to reduce inconsistency in heritage protection.

Stakeholder feedback

177. The Ministry worked closely with the Ministry of Culture and Heritage in developing the historic heritage policy.

178. Government agencies were consulted on the heritage proposals and expressed general support for managing historic heritage through the Planning Act. Independent Expert Advisors preferred shifting responsibility for historic heritage to Heritage New Zealand Pouhere Taonga (HNZPT).
179. Te Puni Kokiri noted that removing WCOs would make rights in relation to WCOs in some Treaty settlements defunct. The decision was made to retain WCOs but reduce the scope for which new WCOs can be made.

Key alternative options considered by delegated decision makers

180. Delegated decision makers received advice on transferring most heritage roles and responsibilities to the HNZPT Act (rather than the Planning Act). This was not the Ministry's preferred option. This would require establishing a new historic heritage regulatory system with the roles and responsibilities of councils relating to historic heritage transferred to HNZPT. It would narrow the scope of matters that can be considered when planning and consenting under the new resource management system.
181. Delegated decision makers received and did not proceed with advice on removing the process for making WCOs and removing existing WCOs from the new system.

Impact of decisions on this matter

182. The narrowed scope for historic heritage and urban tree management will focus on protecting the most significant historic heritage places and trees with historic heritage values while providing flexibility and certainty for landowners, including through standardising historic heritage provisions. This will improve consistency, reduce consenting, and set clear requirements for using, developing and protecting historic heritage.
183. Making it easier to repair, maintain, alter and demolish heritage buildings (where criteria are met) will enable better maintenance and use of heritage buildings. This could also lead to demolition of buildings that some people want protected; however, this will only occur where criteria (such as heritage significance and physical condition) are met.
184. The narrowed scope of WCOs will mean that fewer WCOs are made but those that are will be made with a more efficient process.

Table 15 Specific regimes assessment against objectives

Reform objective	**Assessment**	**Rating** *[++, +, 0, -, --]*
Making it easier to get things done by: • unlocking development capacity for housing and business growth • enabling delivery of high-quality infrastructure for the future, including doubling renewable energy • enabling primary sector growth and development (including aquaculture,	*Heritage* Management of historic heritage in the Planning Act will support delivery of high-quality infrastructure by ensuring consideration of historic heritage alongside other planning matters, while also safeguarding the environment. Through setting clear and high thresholds for managing historic heritage and urban trees, the new system will provide more certainty to landowners, communities, investors, developers, infrastructure providers and	++

forestry, pastoral, horticulture and mining).	government agencies, to unlock development capacity. *WCOs* The new WCO system will mean fewer WCOs being made due to the more restricted scope. It will also make them more responsive to change. Where WCO restrictions are unduly restrictive on primary sector growth, these can be adjusted to allow for growth and still achieve the purpose of the WCO.	
while also: • safeguarding the environment and human health • adapting to the effects of climate change and reducing the risks from natural hazards • improving regulatory quality in the resource management system • upholding Treaty of Waitangi settlements and other related arrangements.	*Heritage* Making it easier to repair and maintain historic heritage buildings, and making urban tree management more effective will allow communities to better adapt to the risks/effects of natural hazards and climate change. *WCOs* Removing the duplication of a special tribunal hearing and an Environment Court hearing will provide a more efficient process to safeguard outstanding waterbodies and associated environmental values. This is somewhat balanced by the fact that the narrower scope of WCOs will ultimately mean fewer of them are made.	+

Matter 7: Compliance and enforcement

The problems that delegated decisions will address

185. Delegated decisions on compliance and enforcement address the following symptoms and problems:[19]
    a) Symptom 3: The natural environment is degraded and poorly managed
    b) Problem 3: Inconsistent processes and rules across the country.

Decisions made by delegated decision makers

186. Achieving the objectives of increasing the focus on ex-post compliance and enforcement will require a modern, nuanced and comprehensive set of compliance and enforcement tools, implemented by a capable and competent regulator or regulators. [20]

[19] See Section 1 for a more detailed explanation of the problems

[20] The Expert Advisory Group's *Blueprint* is the most recent of multiple reviews that have identified issues with RMA compliance and enforcement. Issues identified have included both legislative deficiencies (such as inadequate penalties and limited remediative tools) and institutional arrangements (such as fragmented implementation and inconsistent practice, capability, capacity, competency and priority).

187. A modern planning and environmental compliance and enforcement system must be capable of promoting high levels of compliance. The new system will retain and enhance the traditional deterrence-oriented approach of the RMA and add new tools that will provide improved focus on remediation and prevention of environmental harm arising from non-compliance. The key aspects strengthened include:
    a) increased deterrence elements in the Resource Management (Consenting and Other System Changes) Amendment Act 2025 (RM (COSC) Act)
    b) additional tools to further enhance the responsibilities on duty holders, provide enhanced system flexibility and agility, improve the focus on risk and prevention of environmental harm, and enhance cost and time efficiencies within the system.

How delegated decisions address the problem

188. Table 16 below sets out how delegated decisions on compliance and enforcement address the symptoms and causes of the problem:

Table 16: Problems addressed by decisions on compliance and enforcement

Problem addressed through matter	How delegated decisions address problem
Symptom 3: The natural environment is degraded and poorly managed	A well implemented, efficient and effective compliance and enforcement system is required to ensure policy, regulatory and planning decisions made elsewhere in the system are adhered to. The new system will improve deterrence and enable greater focus on prevention of environmental harm.
Problem 3: Inconsistent processes and rules across the country	A modernised set of compliance and enforcement tools will provide regulators with interventions to respond consistently, proportionately and appropriately to non-compliance with more standardised regulatory requirements.

Stakeholder feedback

189. The key compliance and enforcement legislative elements either exist within the RMA, have been amended and strengthened through recent amendments to the RMA, or included in previous resource management legislation. There was broad support expressed for amendments to strengthen, enhance and modernise compliance and enforcement tools through these previous legislative processes.
190. During engagement on the compliance and enforcement system as part of the proposed Natural and Built Environment Act, the Iwi Chairs Forum said the expanded range of tools proposed would be useful to Māori given consent authorities' reluctance and lack of resource to prosecute or take other compliance measures.
191. Te Tai Kaha expressed concern about regional councils' track record in ensuring compliance and the reliance on existing tools that have not delivered adequate environmental protection.

Key alternative options considered by delegated decision makers

192. An alternative option was to maintain the status quo and not include the changes made through the RM (COSC) Act and other tools that were part of the Natural and Built Environment Act. However, this option was not considered viable, as multiple reviews

have found change was required to improve existing limitations of the compliance and enforcement system.

Impact of decisions on this matter

193. Modernising the current suite of tools is expected to make the compliance and enforcement system more effective and efficient. The new tools proposed are expected to provide greater nuance to the compliance and enforcement options available to enforcement agencies, so they can better tailor enforcement responses to the specific circumstances of the compliance situation which will improve regulatory quality. The proposal is expected to enable more of the cost of undertaking compliance and enforcement work to be funded by those who cause the need for it. Collectively, this option improves the deterrence of the compliance and enforcement system and enables greater focus on prevention and remediation of environmental harm.
194. The impact of the modernised set of tools is dependent on the consistent and proportional delivery of compliance and enforcement functions by a competent, capable, and well-resourced regulator. The full benefits of the modernised legislative framework may not be realised until decisions are taken on institutional arrangements.

Table 17 Compliance and enforcement assessment against objectives

Reform objective	**Assessment**	**Rating** *[++, +, 0, -, --]*
Making it easier to get things done by: • unlocking development capacity for housing and business growth • enabling delivery of high-quality infrastructure for the future, including doubling renewable energy • enabling primary sector growth and development (including aquaculture, forestry, pastoral, horticulture and mining)	The new compliance and enforcement system increases deterrence against non-compliance and introduces new tools that will give regulators more options to respond appropriately to non -compliance. The new tools will enable regulators to focus more on restoration and prevention of harm, rather than being limited just to punitive responses. This will ensure that there are proportionate and effective accountability mechanisms and sanctions available for all situations. The proposed changes are expected to improve regulatory effectiveness and increase the likelihood of achieving overall system outcomes.	++
while also: • safeguarding the environment and human health • adapting to the effects of climate change and reducing the risks from natural hazards • improving regulatory quality in the resource management system	The effectiveness of the compliance and enforcement system is dependent on a comprehensive set of legislative tools being implemented by a capable and competent regulator. The assessed framework proposes amendments to the legislative tools, but decisions are yet to be made on institutional arrangements for implementing the reformed compliance system. Some of the benefits from legislative amendments may not be fully realised until current institutional characteristics that contribute to	0

• upholding Treaty of Waitangi settlements and other related arrangements.	implementation inconsistency and decision-making variability are addressed through institutional design considerations.	

Net costs, benefits, and wider economic impacts of the proposed resource management system

195. The Ministry for the Environment considers that the proposed system provides can deliver substantial net benefits to achieve the objectives of the resource management reforms.
196. This section outlines the analysis and evidence supporting this conclusion. This includes analysis from reports produced by:
    a) Castalia's *Economic impact analysis of the proposed resource management reforms* (February 2025) along with their updated report based on Cabinet and delegated Minister decisions (September 2025).
    b) Infometrics and Allen + Clarke's *Exploration of the Economy – Wide Effects of Resource Management Reform* (October 2025), which considers the potential allocative and dynamic efficiency impacts under different scenarios.

Castalia's economic analysis of the proposed resource management reforms

197. Consistent with the February 2025 report, the final reform outcomes will depend heavily on the implementation of the new legislation and institutions. While there is more certainty and clarity in the Proposed System, the SAR is an amalgamation of decisions at a high level about a vast and complex system. The complexity of the interrelated factors in the resource management system introduces significant uncertainty.
198. The Ministry intends to undertake further CBA for some aspects of the reforms as part of future work to implement the reforms, including on the impacts of environmental limits.
199. The Castalia report estimates changes to direct administrative and compliance costs. However, the report deliberately does not quantify the indirect opportunity costs, such as environmental losses, delayed infrastructure, and hindered housing development under the current system. Instead, it uses existing quantitative and qualitative evidence to assess whether the reforms are likely to improve or worsen these outcomes, avoiding precise predictions due to the inherent difficulty of accurately calculating the downstream effects of major regulatory changes.

Updated net present value analysis by Catalia

200. Since the February Castalia report, Cabinet and delegated decision makers have made detailed decisions across the Planning Act and NEA. As a result, Castalia have updated their economic analysis.
201. The net present value is estimated to be $13.26 billion (estimated over a 30-year time frame, discounted using the Treasury's recommended discount rate of 2 per cent[21]). While this is a revision of the February estimate of $14.8 billion it still indicates that the proposed reforms will lead to a substantial benefit. As with the initial report, this figure is

[21] The 2 percent discount rate is consistent with the Treasury Circular 2024/15 that for mainly non-commercial costs and benefits, a social rate of time preference should be used. Given the public interest nature of the costs and benefits under the resource management system, a social rate of time preference was used.

derived from analysing and ultimately aggregating the net benefits across central and local government, and resource management users.

Table 18 Net administrative and compliance costs (benefits) of the proposals

Cost category	Proposed Reforms	RM System	Net Present Value
Administrative	$13,635,000,000	$16,865,000,000	$3,230,000,000
Compliance	$12,143,000,000	$22,174,000,000	$10,031,000,000
Total	$25,778,000,000	$39,039,000,000	$13,261,000,000

202. There will be a shift in the cost balance across groups. While there will be higher upfront and ongoing costs for central government, this is expected to result in lower ongoing costs for both local government and resource management users.
203. The net impact for central government is estimated to be $1.145 billion in additional costs (comprising of $398 million in establishment costs and $747 million in additional ongoing costs).
204. Resource management users are expected to benefit from $9.907 billion in compliance cost savings, while local government are projected to have $4.375 billion in net savings. Iwi/Māori are expected to save $324 million through reduced compliance costs.

Resource management users

205. Resource management users are expected to benefit from savings largely driven by a 30% reduction in compliance and enforcement costs. A decrease in the number of consents required under the new system and a shift from an ex ante to ex post compliance system is expected to drive this reduction. Under the proposed system, the percentage of consents that may be unnecessary in the new system for land use and subdivision consent will be 55%, and for coastal, water and discharge it is 35%. Resource management users will also benefit from a shift of effort away from minor nuisances, better clarification of environmental limits and regulations, reduction in administrative burdens, improved consent outcomes, and lower stakeholder disputes.
206. Iwi/Māori are expected to make $324 million in compliance cost savings due to more streamlined and permissive processes under the proposed system.

Local government

207. Local government is estimated to save $4.375 billion through administrative cost savings. For example, there will be a 30 percent decrease in compliance, monitoring and enforcement costs for local government in part due to a national regulator delivering resource management compliance and enforcement activities, an overall reduction in the number of consents required under the new system, a shift to an ex-post system, and a greater use of national standards. These changes are expected to provide benefits for councils through a faster and less litigious process.
208. Key cost drivers for local government include environmental monitoring which will increase by 20 percent.
209. Local government will incur new costs in the preparation of regional spatial plans, relevant chapters, and regulatory justification reports. As well as costs associated to consider the regulatory relief framework in their plan reviews and development.

210. Some impacts were unable to be quantified. These include potential compensation costs for local government relating to regulatory takings in the Proposed Reforms. These also include the potential process benefits from a more streamlined designation process in the Proposed Reforms.

Central government costs

211. Central government will incur costs associated with a national independent regulator delivering RM compliance and enforcement activities and establishing the Planning Tribunal. Other costs will include a national e-portal and a combined e-plan.

Key impacts

212. From a system perspective the highest establishment administrative costs are from: regional and district plan making and implementation, and National policy direction and implementation. Whereas the highest ongoing compliance costs are from: consenting, permitting and designations, and compliance and enforcement (although many of these ongoing costs are a reduction relative to the status quo).
213. Administrative costs are expected to reduce significantly compared to the status quo. These include:
    a) $2.342 billion in NPV savings in consenting, permitting and designations,
    b) $1.558 billion in NPV savings in regional and district plan making and implementation,
    c) $575 million in in NPV savings National policy direction and implementation.
214. Compliance cost savings will come from:
    a) $8.81 billion in NPV savings in consenting, permitting and designations,
    b) $1.41 billion in NPV savings in compliance and enforcement.
215. The main drivers of administrative costs in the proposed system are:
    a) $1.265 billion in NPV additional costs for establishment administrative costs,
    b) $233 million in NPV additional costs for spatial planning.
216. Additionally, the compliance costs drivers of the proposed system are:
    a) $314 million in NPV additional costs in National policy direction and implementation,
    b) $174 million in NPV additional costs for establishment compliance costs.

Table 19 Establishment costs and net change in annual ongoing cost

Affected groups	Establishment costs of the proposed system	Net change in annual ongoing cost of proposed system relative to resource management system	Net Present Value of the Proposed system
Central government	$398,134,960	($44,269,732)[22]	($1,145,268,657)
Local government	$869,840,891	$195,556,667	$4,175,701,181
System Users	$130,793,621	$399,472,825	$9,906,842,684
Iwi/Maori	$39,709,758	$12,366,655	$323,675,718

[22] Note in this table the bracket values indicate negative amounts ie, higher costs in proposed system relative to the current resource management system.

What are the marginal costs and benefits of the chosen option?

217. The table below sets out the monetised benefits and costs for affected groups as a result of the proposed legislation, compared to taking no action is taken.

Table 20 Marginal costs and benefits of the proposal relative to the current system

Affected groups	Comment	Impact	Evidence Certainty[23]
Additional costs of the chosen option compared to taking no action			
Central government	Central government will incur administrative costs in establishing the proposed system, including developing the primary legislation; national instruments; undertaking the science and policy work to identify and implement environmental limits; and establishing and reforming institutional arrangements.	$1.145 billion in additional costs	Medium – while the types of costs central government will incur are highly certain, the quantification is based on assumptions, such as the work required for central government to develop and implement the relevant pieces of legislation and regulation. Moreover, the final cost will depend on future decisions by Cabinet, including around the pace of implementation and ambition for new digital systems.
Local government	Local government will incur administrative costs, both ongoing and inclusive of establishment of the proposed system. Consistent with the system shifts, there will be an increase in costs associated with ex-post monitoring and enforcement (including environmental monitoring) but these will be more than offset by ex-ante savings.	$199.5 million in additional compliance costs	Medium – while the types of costs local government will incur are highly certain, the quantification is based on assumptions. These assumptions include the costs of specific activities, implementation and behaviours.
Resource management system users	There will be a cost to system users to adapt to understanding and utilising the new system, including submitting on the proposed legislation, national instruments, and proposed plans. Resource management users will have ongoing compliance costs under the new system that are similar to those incurred under the current system. Including participating in the consenting process and submitting on plan changes. We consider that resource management users will have a net savings in cost.	Low	Low – forecasting the actual behaviour of resource management users is difficult. For instance, it is difficult to say how many users might submit on a National Policy Direction. Therefore, the quantification is highly dependent on assumptions.
Iwi/Māori	Māori groups will face costs in transitioning to and participating in the new system.	Low	Low – same as comment with other resource management users, difficult to forecast behaviour of groups so numbers are dependent on assumptions.

[23] *Castalia, Economic Impact Analysis of the Proposed Resource Management Reforms (October 2025)* includes a detailed breakdown of individual assumptions made in the CBA.

Total monetised costs		**1.345 billion in additional costs**	
Additional benefits of the chosen option compared to taking no action			
Central government	Development of clearer and stronger environmental limits and ex post compliance should be beneficial to central government in providing it more standardised environmental data and increasing efficiency of central government's environmental stewardship role. Increased efficiency in system processes should have benefits to central government.	Low-no cost savings or monetised benefits	Medium – while the types of costs central government will incur are highly certain, any future quantification would rely on assumptions.
Resource management users	System users are expected to benefit from a reduction in compliance costs compared to the status quo. There will be a cost to system users to adapt to understanding and utilising the proposed system, including submitting on the proposed legislation, national instruments, and proposed plans. Resource management users will have ongoing compliance costs under the proposed system that are similar to those incurred under the current system. These include participating in the consenting process and submitting on plan changes. We consider that resource management users will have a net savings in cost. These savings are associated with more permissive, efficient, and less litigious processes.	$9.907 billion in net compliance cost savings	Low – forecasting the actual behaviour of resource management users is difficult. For instance, it is difficult to assess how changes to consenting requirements will be implemented and flow through to requirements on resource users. Therefore, the quantification is highly dependent on assumptions.
Local government	Local government is expected to benefit from reduced administrative costs over the longer term. Providing for greater use of national standards could provide benefits for councils. Faster and less litigious process should also benefit local government.	$4.375 billion in net savings	Medium – while the types of costs local government will incur are highly certain, the quantification is based on assumptions. Key assumptions include behavioural change and how reduced administrative requirements will translate to reduced resourcing costs.
Iwi/Maori	Māori groups will face costs in transitioning to and participating in the proposed system. However, Iwi/Māori are expected to benefit from reduced compliance costs over the longer term. Providing for faster, cheaper, and less litigious processes would benefit Iwi/Māori developers.	$324 million in savings through reduced compliance costs	Low – same as comment with other resource management users, difficult to forecast behaviour of groups so numbers are dependent on assumptions.
Total net monetised benefits		**$13.26 billion in savings**	

Wider economic impacts

218. The Ministry's advice on wider economic impacts, specifically the likely direction and quantum of the dynamic and allocative efficiency gains, has been informed by the Infometrics and Allen + Clarke report, *RM Phase 3 Economic Efficiency Assessment*. This report provides an evidence-based assessment of potential economic efficiency

improvements from the proposed Planning Act and NEA, including both allocative efficiency in resource use and dynamic efficiency in investment and innovation.

219. To achieve this, the report draws on the results of Computable General Equilibrium (CGE) modelling of a number of scenarios designed to measure the potential impact. While not determinative, CGE modelling demonstrated that lowering land price differentials (supporting housing intensification) or reducing the cost of major infrastructure projects leads to broad gains for households and industries.
220. A stable, effective and efficient resource management system, if implemented effectively, will support economic growth and improve living standards. The Ministry has identified three key benefits associated with the recommended reforms. These benefits are:
    a) improving certainty for developers, investors and resilient communities
    b) better environmental outcomes and more efficient resource use
    c) a faster, more efficient, resource management system for users.
221. These benefits are not solely market-based and many cannot be quantified or quantified precisely (e.g. lifestyle benefits associated with healthier waterways). However, each of these benefits have an economic component that the Ministry has identified and considered based on their contribution to the four types of economic efficiency. These economic efficiencies are:
    a) **Technical efficiency** – Achieving a given output with the minimum quantity of inputs. For example, changes to simplify planning and consenting processes.
    b) **Productive efficiency -** Cheaper and easier to operate. Faster processes provide certainty sooner. Less litigation over minor matters. For example, reducing unnecessary consent and permit requirements and simplifying arbitration processes.[24]
    c) **Allocative efficiency -** Land, capital, and natural resources are allocated to their best value use. For example, market-based mechanisms to price and allocate natural resources, more competitive land markets that enable better co-location of production, the avoidance of hazard prone development.
    d) **Dynamic efficiency -** Better strategic alignment in investment decisions. More innovation to grow within environmental limits. For example, the introduction of clear limits provides additional incentives for innovation.

Scenarios and key findings

222. Infometrics and Allen + Clarke have provided an assessment of the potential economic efficiency impacts of the proposed reforms, including on both allocative efficiency in resource use and dynamic efficiency in investment and innovation. The report drew from modelling, scenarios and a wider body of evidence. Note the modelling and scenarios are subject to a number of limitations, as discussed throughout the report.
223. The scenarios modelled in the report were selected to test how the Planning Act and NEA might influence economic efficiency under different assumptions. These scenarios provide a partial analysis of specific impacts and segments of the economy, rather than the entire economic system. They provide an indication of the direction of different economic impacts. Their analysis also showed that these impacts are spread unevenly across different income groups. The five different scenarios analysed were:

[24] Note that sometimes technical efficiency is considered a component of productive efficiency but is kept separate for the purposes of discussion in this report.

a) *Scenario 1: Housing* - tests the effects of reducing the cost of housing through greater land availability and improved development processes. It assumes that expanding zoned capacity reduces land price differentials at the urban boundary, improving the efficiency of the housing stock.
b) *Scenario 2: Horizontal infrastructure* - considers the impact of quicker consenting and reduced costs for three waters, electricity networks and roads.
c) *Scenario 3: Preventing inundation* - compares the economic impacts of investing in adaptation to reduce flood risk against the costs of a large flood event.
d) *Scenario 4: Potable water* - examines the economic value of environmental limits for human health, by looking at the costs of a widespread contamination event, including impacts on health, exports and government spending.
e) *Scenario 5: Sedimentation* - examines the costs and economic implications of reducing suspended sediment. It compares investment in catchment interventions, with the costs of increased harbour dredging.

224. Together these scenarios provide a broad view of how different elements of the proposed system affect economic performance.
225. The key findings from the each of the five scenarios are:
    a) *Scenario 1: Housing* –increased land availability and reduced compliance costs can deliver broad economic benefits, with households the main beneficiaries.
    b) *Scenario 2: Horizontal infrastructure* - allocative efficiency improves when capital can be directed towards infrastructure projects at lower cost and with greater certainty. It also highlights the role of dynamic efficiency, as clearer pipelines for infrastructure investment encourage long-term planning by both the public and private sector.
    c) *Scenario 3: Preventing inundation* - investments that provide long-term certainty about hazard risks can prevent losses, reduce uncertainty, and encourage further private investment. The modelling suggests that while the upfront costs of adaptation are significant, they are smaller than the enduring losses from severe events.
    d) *Scenario 4: Potable water* - prevention is far cheaper than responding to an incident. The allocative efficiency of the economy suffers when resources are diverted to deal with contamination too late, rather than being dealt with upfront, with impacts felt in both domestic health outcomes and export markets.
    e) *Scenario 5: Sedimentation (harbour dredging example)* - the results suggest that even modest additional actions, such as avoided dredging costs or ecosystem service improvements, would be enough to provide positive benefits. The modelling also underlines that while the financial costs of sediment control may be front-loaded, the environmental benefits endure for generations.
226. Overall, the findings are that these efficiency improvements are achieved through the system changes introduced by the Planning Act and NEA through clearer limits, stronger property rights, consistent national instruments, and better price signals.

Distributional impacts

227. Analysis has highlighted that inefficiencies in the system impose uneven costs on Māori, on communities exposed to hazards, and on households locked out of affordable housing.[25]
228. The modelling by Infometrics and Allen + Clarke includes analysis across different household income groups and shows gains and losses are spread unevenly. For instance, the scenarios indicate proportionally larger gains for lower- and middle-income groups from improved housing supply and costs. In contrast, the infrastructure scenario indicates that higher income groups will benefit the most from reduced infrastructure costs, as they benefit most from infrastructure intensive consumption. Additionally, the preventing inundation scenarios demonstrate that lower income groups are expected to benefit the most from reduced risk.
229. Some of the decisions on the limits framework (allowing a mechanism to enable critical infrastructure, and the adverse impacts of fast track projects on limits to be weighted against project benefits) may create distributional impacts relative to other activities (which would still have to adhere to limits).

Section 3: Delivering the chosen option

How will the proposal be implemented?

230. This section outlines how the Ministry for the Environment is planning to approach implementation support for the replacement of the RMA.
231. This section presents key implementation deliverables, key timeframes, the main implementation risks and our proposed support package framework. The implementation programme will also explore a wider range of non-regulatory options to achieve the Government's objectives.
232. A post-implementation assessment will be undertaken by the Ministry one year after enactment of the legislation to track progress of implementation. In order to determine how well the policies achieve (or are on track to achieving) the objectives of the reform, an on-going system performance monitoring framework based on key indicators will be established as a means to fulfil the Ministry's regulatory stewardship obligations. The Chief Executive will be required to produce a report on system performance after three years.

Supporting the transition

233. A transition approach has been designed where instruments in the new system will be made in order of their hierarchy. This will see national policy direction and national standards made first, so they are in place in time to enable councils to develop their spatial chapters initially, followed by natural environment and land use plan chapters. The legislation will set deadlines for when each of these must be made by.
234. In evaluating options for the transition approach, these criteria were used:
    a) enables a rapid transition to the new system
    b) minimises uncertainty and economic disruption
    c) prioritises aspects that will have the greatest impact

[25] Resource Economics Ltd, in collaboration with Principal Economics and Sapere (2021). Reforms to the Resource Management System: An analysis of potential impacts for Māori, the housing market and the natural environment. Ministry for the Environment. https://environment.govt.nz/assets/Resource-Economics-Report.pdf

d) the approach to the transition period aligns with the overall approach to the new system
e) upholds Treaty settlements and obligations to Māori
f) is cost effective.

235. National instruments in the new system will be delivered in two suites:
    a) A first core suite of national instruments in place by the end of 2026 to provide the necessary direction to inform development of spatial plans. This suite will follow a standard process (similar to section 46A of the RMA), with the following amendments:
        i) 20 working days for consultation with the public, stakeholders and iwi authorities
        ii) the requirement to pre-notify iwi authorities will not apply.
    b) A second suite of national instruments by mid-2027 to support the development of land-use and natural environment plan chapters. Given the complexity, this suite will undergo the full statutory consultation process as set out in the primary legislation.
236. Digital and policy design will be developed in parallel from the outset, ensuring digital systems are embedded in the new rules - not added later.
237. It is intended that consenting under the new system will be fully 'turned-on' at one set date nationally (expected to be in early 2029), once all critical direction-setting and planning components of the new system have been prepared.
238. While planning is underway, a transitional consenting framework applying key components of the new system will be in operation from shortly after enactment until the full system turns on. In addition, the Government has decided that existing consents that are due to expire during the transition period will have their durations extended until the full new consenting system is in place; this is to give holders of these expiring consents the opportunity to either apply for replacement consents under the transitional framework or to wait for the full new system to be in place before they apply for replacement consents.
239. While this transition approach is expected to place additional demands on system actors such as local government, the types of costs they are likely to incur are relatively certain. For example, local government will need to ensure that combined plans, incorporating the spatial plan, the district plan chapters, and the natural environment plan chapters are in place to meet the deadlines that will be set for these in the legislation. However, as noted by Castalia the exact quantification of these costs is based on assumptions and may vary.
240. With this in mind, an Implementation Strategy and Plan, underpinned by robust principles for transition and implementation, is being developed to support capacity, capability and culture building within the new system to meet these timelines.
241. For example, the principle of a user-focused approach will help deliver some of the behavioural shifts in the system required to move from a culture of 'no' to a culture of 'yes, and this is how we can make it work'. The focus on digital enablement will support this shift, underpinned by the integration of technology and data standards into policy delivery, and a more collaborative and open approach to data sharing.

Implementation strategy and plan

242. The Implementation Plan will be published prior to the enactment of the Bills. It will include a roadmap with key implementation phases and milestones and outline the roles and responsibilities for key stakeholders.

243. The Implementation Plan will include the following components and supporting measures for:
    a) the new consent and planning systems
    b) spatial planning frameworks at the regional level
    c) implementing national instruments
    d) establishment of technology platforms (eg, planning data portals)
    e) designing and delivering training and capability programmes
    f) monitoring frameworks for the system
    g) engagement strategy
    h) changing planning practice.

Implementation Principles

244. The purpose of the implementation work programme is 'to operationalise the new resource management framework, building the systems, skills, tools, and institutional culture required for a transformation in current practice'.
245. A set of principles will shape the approach to implementation. The principles are:
    a) a user-focused approach – implementation is designed around the needs of system users, designed with them where appropriate, with a strong emphasis on accessibility, usability, and digital enablement.
    b) early and adequate investment in standing up and rolling out the new system (especially during the transition from the current old system to the new).
    c) a sequenced approach to implementation, progress monitoring, and adaptation in real time (and course-correct as needed) through implementation and early roll-out.
    d) incorporating system users to build buy-in to the design and delivery of key aspects of the new system.

A best practice approach to implementation is recommended

246. Due to the need to implement the new system at speed, the implementation approach will prioritise the following:
    a) **identification of critical success factors** for the reforms, including purpose of the new system and objectives of implementation
    b) **partnering and collaborating** with affected people and organisations to recognise, value and incorporate their interests, expertise and input and enabling them to participate in the process
    c) **communication and engagement strategy** – clear, early and regular messaging about the nature of the new resource management system, purpose of the reforms, how the new system will be delivered and obligations of people working in the new system
    d) **build and maintain capability** – enable effective leaders, change agents, and other highly skilled people and operating arrangements that can adapt and support the transition to a new system
    e) **adequate resourcing** – funding and other resources are adequate to enable establishment and ongoing implementation
    f) **target support** – identify where outcomes are being achieved, and can share lessons, and where more support is required.

Digital enablement

247. A digital enablement programme is underway to respond to longstanding digital and data challenges in the current resource management system. Without intervention, these

issues risk being carried into the new system, undermining reform goals. This programme aims to make the planning and resource management system more accessible, cheaper and smarter through technology and AI.

248. The $13.26 billion NPV of the new system is contingent on the reforms at least maintaining the condition of these natural assets, which requires decision-making to be underpinned by robust and accessible environmental data.[26] The shift from ex-ante to ex-post decision-making in the new system makes high-quality, real-time data essential. Improved data could conservatively support $1.3 to $1.9 billion in additional direct benefits, and up to $1 billion annually in broader gains.[27]
249. The Ministry is preparing the minimum digital and data infrastructure needed for the system's implementation on enactment of the new system (estimated as 1 July 2026, 'Day One'), including:
    a) developing nationally consistent spatial planning data standards
    b) investing in a small number of critical planning datasets
    c) developing a national e-Plan viewer targeted for December 2027
    d) establishing initial digital system engagement platforms (methods and networks).
250. These components represent the minimum required to ensure a coherent and functional system on Day One and enable future scalability and integration. They represent a more centrally-directed system based on standardisation, developed from international lessons, economic analysis and delegated decision maker's decisions on roles in the new system.
251. Achieving the economic benefits of the system will require investment above what is planned for Day One. As with any critical infrastructure, realising the full economic potential will require sustained investment in data and digital enablement over multiple years.[28] This will generate return well above its cost over the long term.[29] It will also require strategic shifts in how local and central government manage and use data and technology.[30]
252. A programme business case is being developed which, subject to Ministerial direction, will support future investment and budget bids. This will outline the investment needed to unlock the full economic and system benefits of data and digital enablement for central and local government, the private sector and individuals in the community.
253. Successful implementation will require a cultural shift toward digital-first thinking. This includes addressing entrenched practices around data privacy and secrecy, where appropriate, to enable greater openness. Public access to environmental data will support better decision-making, reduce friction for resource applicants, and deliver wider benefits to New Zealand through improved transparency, innovation, and environmental outcomes.

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[26] Allen and Clarke. 2025. *Unlocking the Benefits of Environmental Data for RM Reform: High level valuation of New Zealand's environmental data architecture and its role in resource management.*

[27] Ibid, p5.

[28] Allen and Clarke, p7.

[29] Ibid, p7 and 25-26.

[30] Ibid, p17.

Roles and responsibilities

Role of central government

254. The Ministry for the Environment will continue to provide implementation leadership through the System Enablement and Oversight business unit whose purpose is to operationalise the new resource management system by supporting the system, skill, tool and institutional culture shifts required for a transformation in current practice.
255. Until decisions are made on the establishment of a national compliance and enforcement regulator, the EPA will have the same compliance and enforcement functions as were available under the existing legislation.
256. The Ministry's Strategy, Stewardship and Performance business group is leading the digital enablement work programme to support the transition to the new system through improved data and digital infrastructure. The Ministry are in the early stages of engagement with LINZ, Stats NZ, MBIE, local government, DIA, HUD and MoT to ensure alignment and coherence across relevant work programmes to support successful delivery and long-term impact.

Role of local government

257. Land use is addressed under the Planning Act and will be the responsibility of territorial authorities. Their responsibilities under the Planning Act will include managing externalities of the use and development of land within a district and ensuring sufficient development capacity.
258. Natural environment matters are addressed under the NEA and are the responsibility of regional councils. Their responsibilities under the Act will include water quality and quantity and controlling takes of freshwater and geothermal resources.
259. Local government will be responsible for adopting national data standards, contributing to a federated data system, and implementing digital tools like e-Plan and e-Consent. Investment is required in capability and system upgrades to support collaboration with central agencies and maintain critical regional datasets used nationally.
260. In the interim period while further work is undertaken on institutional arrangements for compliance and enforcement functions, compliance and enforcement functions under the Planning Act will be assigned to territorial authorities, and compliance and enforcement functions under the NEA will be assigned to regional councils.

Implementation risks and mitigation

261. The main risk associated with the timing of the transition to the new system is the ability of organisations, principally local government, to have sufficient resource to develop the components of the new system while continuing to administer the current system.
262. This resourcing issue can partially be addressed by the following actions:
    a) ensuring the transition timetable is signalled well in advance to stakeholders and provides the ability of local government to forward plan through the LTP for the required investment
    b) turning off actions being required by provisions of the RMA for plan review and also implementation deadlines specified in national direction components. This approach will free up existing resources to address the transition requirements
    c) ensuring that there is investment in capability and capacity building in advance of new requirements - invest in fully developed guidance, templates and other support tools to reduce implementation costs that fall on local government.
263. Other risks which have been identified in previous RM transitions which are pertinent for this transition include:

a) **Changing existing culture** and institutional norms is difficult. Without significant investment and support there will be insufficient capability of organisations to develop and implement the plans under the new framework. The new RM system may affect existing relationships and ways of working that are beneficial, for example existing arrangements between iwi/hapū/Māori and local authorities. To address this, the implementation plan for the new system will have a focus on supporting cultural change and capacity building.
b) **Data and digital maturity levels** are wide ranging across local government, and this starting point will be a key factor in overall cost and successful delivery of digital enablement. A shift in culture towards becoming digital-first is essential. This includes overcoming entrenched practices around data privacy and secrecy, where appropriate, to enable greater openness. Pragmatic, agreeable, enduring solutions are critical and central to programme design. Partnership, investment in the right capabilities, and additional resourcing at the right time will be critical to ensure delivery of a data and technology programme of this scale. Some of the work is technical and difficult and will take time, managing expectations will be critical, starting small and building confidence through delivery.
c) **Regional plan integration and system alignment challenges** across regions where there is an intention to develop combined plans at a regional scale. An example of this issue is the Waikato region that comprises 11 districts that will need to harmonise their systems to develop a coherent regional plan. Division into separate chapters for each local authority may reduce the risk of this issue. Standards for data and information collections and provision at an early state to enable E-Plan providers to modify their products will also assist in this issue. There may still be some councils that will require additional support to make the transition.
d) **Uncertainty around institutional settings** increases complexity for designing and delivering technology solutions. Cost of delivery will be significantly impacted by wider settings, in particular local government reform choices, as well as system roles still to be determined for the new system, such as the Environmental Protection Authority.

How will the proposal be monitored, evaluated, and reviewed?

264. The system performance monitoring framework is still being developed and will be subject to further advice and Ministerial decisions anticipated by April 2026, prior to implementation.
265. System performance monitoring, reviews and reporting will provide insights into the implementation and effectiveness of the resource management system to ensure it supports and meets the objectives agreed by Cabinet as set out in Section 1. This includes the use and protection of the environment, understanding constraints on development and infrastructure, informing decision-making on natural hazards' management or adaptation and identifying issues to support system efficiency and effectiveness. This information will provide guidance on whether amendments are needed to the legislation and/or to practices of systems participants (eg, central or local government and other statutory and non-statutory entities) to better support the system objectives and identify areas for in-depth reviews or interventions.

266. System performance monitoring will be the domain of the Chief Executive and kept distinct from the Minister's powers of investigation and intervention. The Chief Executive will have powers to require the provision of information to support system performance monitoring and will be required to produce three yearly systems performance reports. The Chief Executive will also be able to undertake strategic reviews into issues of concern or areas of good practice.

The existing resource management system has significant limitations

267. The current monitoring and system oversight provisions under the RMA are limited. Additionally, the monitoring and reporting processes are fragmented and lack clear connections to the system stewardship functions. The repealed Natural and Built Environment Act 2023 and the Spatial Planning Act 2023 introduced several frameworks and provisions to enhance monitoring and system oversight. There is now an opportunity to repurpose some of these provisions into the new system where it is appropriate.
268. The expert advisory group's Blueprint report made a number of recommendations to enable a more responsive, coordinated, and transparent approach to system oversight and monitoring of the resource management system.

The new system will need to include key elements

269. While detailed policy analysis is ongoing, the following key elements are likely to be required to enable the performance of the new system to be monitored effectively:
    a) use of indicators to monitor, for example, environmental limits, natural hazards management, resource allocation and cumulative effects.
    b) oversight of the resource management system to:
        i) support greater transparency and public confidence in how the environment is being managed through monitoring and reporting
        ii) provide government and Parliament with independent advice on ways to improve environmental management and planning
        iii) provide accountability for agencies' performance and their delivery of the system's objectives
        iv) maintain the resilience of the resource management system and support its ongoing improvement
    c) clear Ministerial oversight functions
    d) clear central government stewardship functions underpinned by a collaborative approach between the Chief Executive and systems participants. This could include reporting to delegated decision makers on system performance.
    e) specified review and reporting timeframes of regional plans (regulatory and spatial)
    f) transitional provisions to phase in reporting and review timeframes within the system to ensure that the new system is cohesive and the required reviews and reporting is available to provide insight into decision making
    g) involvement of iwi, hapū and Māori groups in the system and upholding Treaty of Waitangi settlements
    h) proportionate and appropriate compliance and enforcement of regulatory requirements
    i) clear role and responsibilities of local government and other regulatory bodies and assurances that they have support for the transition/implementation and sufficient resourcing. Additionally, the role of other agencies and departments (eg, the Environmental Protection Authority) will need to be clearly defined
    j) phased approach with clear implementation and transition periods.

A best practice approach to monitoring and system oversight is recommended

270. A best-practice[31] approach to monitoring and system oversight provides for:
    a) **clear and nationally consistent monitoring indicators and methodology:** supported by effective digital enablement, ensures a nationally consistent approach to data collection that can provide insights for environmental and system reporting
    b) **learning and continuous improvement**: ensures a collaborative approach to understanding systems performance that supports more nuanced interventions that are more likely to result in an improved ability to achieve desired outcomes
    c) **long-term tracking:** provides information to decision makers and the public on the state of the environment (both natural and built), and how it is changing over time
    d) **effective feedback loops:** provide information on how well the system is performing and where targeted intervention is needed to support outcomes and manage cumulative effects
    e) **transparency and accountability:** helps demonstrate the effectiveness of policies and plans and hold responsible bodies to account for system performance and outcomes
    f) **support system objectives:** essential to making well informed decisions about the use and protection of the environment, understand constraints on development, inform decision making on climate change impacts, and more efficiently identify issues to support system efficiency and effectiveness.
271. This approach will require substantive investment from local and central government, particularly to establish nationally consistent data collection and reporting systems. While there is no funding currently proposed for this work, the Ministry is developing a programme business case to support implementation of the framework.
272. System performance monitoring is first and foremost about transparency, learning and continuous improvement and secondly about accountability. Building our understanding of how the system is performing will be one input informing any potential interventions Ministers may subsequently take.

[31] This best practice approach is based on recommendations from the Expert Advisory Group and is informed by examples from planning authorities in New South Wales, South Australia and the United Kingdom.

Appendix 1: Costs of the current and the proposed resource management system

1. Costs of the current resource management system are outlined broadly in the Tables 1 to 3 below. The present values and net present values in Tables 1-10 below are calculated over a 30-year-time frame using a discount rate of 2 percent.
2. "Present value" refers to the current value of money discounted from a timeframe (ie, 30 years) using a discount rate (ie, 2 percent). Whereas "net present value" refers to current value of money discounted from a timeframe (ie, 30 years) using a discount rate (ie, 2 percent), with the present value of outflows. Therefore, it represents either a net gain or loss.

Table 1: Annual administrative costs and net present value costs of the current resource management system

RM Function	Annual administrative costs	Net present value administrative costs
The Acts (legislative framework)	$2,000,000	$37,000,000
National direction and implementation	$38,000,000	$889,000,000
Spatial planning	$27,000,000	$227,000,000
Regional and district plan making and implementation	$142,000,000	$3,327,000,000
Consenting, permitting and designations	$227,000,000	$5,314,000,000
Compliance and enforcement	$272,000,000	$6,370,000,000
Dispute resolution	$30,000,000	$700,000,000
Total	**$738,000,000**	**$16,864,000,000**

3. The detail behind the estimated administrative costs to central and local government, including the key assumptions, are set out in the table below.

Table 2: Detailed estimates of the administrative costs of the current resource management system, with assumptions

Affected party	Impact	Present Value
Estimated administrative costs of legislative framework		
Central government	Amendments to the system	$37 million
Estimated administrative costs of national policy direction and implementation		
Central government	Develop national direction	$101.6 million
Local government	Implement national direction	$100 million
Local government	Implementing national direction at a local level	$687 million

Estimated administrative costs of spatial planning		
Local government	Costs of Auckland spatial plans and future development strategies (FDS)	$227 million
Estimated administrative costs of regional and district plan making and implementation		
Local government	Developing and implementing regional plans, reviewing plans, and plan changes	$3.33 billion
Estimated administrative costs of consenting, permitting, and designations		
Central government	Operating the Environment Court	$229.9 million
Local Government	Processing consents	$5.08 billion
Estimated administrative costs of compliance and enforcement		
Local Government	Performing compliance and enforcement	$2.55 billion
Local Government	Environmental monitoring	$2.55 billion
Central Government	Environmental monitoring	$1.27 billion
Estimated administrative costs of dispute resolution		
Local Government	Taking prosecution action	$700 million

Compliance costs of the current resource management system

4. The resource management system has compliance costs estimated at a total present value of $22.17 billion. The table below sets out the compliance costs.
5. These status quo costs have been estimated using Castalia's 2020 and 2021 methodology for the review of administrative and compliance costs of the resource management system for the previous Government's RMA reforms. The estimates were updated where policy changes have taken effect and adjusted to 2024 values.

Table 3: Annual compliance costs and net present value compliance costs of the resource management system

RM Function	Annual compliance costs	Net present value compliance costs
The Acts (legislative framework)	$319,000	$7,000,000
National direction and implementation	$1,000,000	$24,000,000
Regional and district plan making and implementation	$24,000,000	$561,000,000
Consenting, permitting and designations	$705,000,000	$16,483,000,000
Compliance and enforcement	$182,000,000	$4,258,000,000

Dispute resolution	$36,000,000	$840,000,000
Total	**$948,000,000**	**$22,174,000,000**

6. Tables 4 to 11 below provide detailed cost estimates of the proposed system for central government, local government, resource management users and Iwi/Māori.

Table 4: Annual establishment administrative costs and net present value establishment administrative costs of the proposed system

RM Function	Annual establishment administrative costs	Net present value establishment administrative costs
The Acts (legislative framework)	$5,000,000	$21,000,000
National direction and implementation	$148,000,000	$385,000,000
Spatial planning	$53,000,000	$142,000,000
Regional and district plan making and implementation	$267,000,000	$637,000,000
Consenting, permitting and designations	$23,000,000	$ 23,000,000
Compliance and enforcement	$25,000,000	$24,000,000
Dispute resolution	$9,000,000	$33,000,000
Total	**$530,000,000**	**$1,265,000,000**

Table 5: Annual ongoing administrative costs and net present value ongoing administrative costs of the proposed system

RM Function	Annual ongoing administrative costs	Net present value ongoing administrative costs
The Acts (legislative framework)	$1,000,000	$4,000,000
National direction and implementation	$18,000,000	$314,000,000
Spatial planning	$29,000,000	$460,000,000
Regional and district plan making and implementation	$81,000,000	$1,769,000,000
Consenting, permitting and designations	$133,000,000	$2,972,000,000
Compliance and enforcement	$294,000,000	$6,578,000,000
Dispute resolution	$ 11,000,000	$244,000,000
System self-review	$ 11,000,000	$28,000,000
Total	**$578,000,000**	**$ 12,369,000,000**

Table 6: Annual establishment compliance costs and net present value establishment compliance costs of the proposed system

RM Function	Annual establishment compliance costs	NPV establishment compliance costs
The Acts (legislative framework)	$3,000,000	$3,000,000
National direction and implementation	$2,000,000	$5,000,000
Spatial planning	$23,000,000	$67,000,000
Regional and district plan making and implementation	$36,000,000	$36,000,000
Consenting, permitting and designations	$64,000,000	$63,000,000
Compliance and enforcement	-	-
Dispute resolution	-	-
Total	**$128,000,000**	**$174,000,000**

Table 7: Ongoing compliance costs of the proposed system and net present value ongoing compliance costs

RM Function	Annual ongoing compliance costs	Net present value ongoing compliance costs
The Acts (legislative framework)	$3,000,000	$13,000,000
National direction and implementation	$20,000,000	$338,000,000
Spatial planning	-	-
Regional and district plan making and implementation	$7,000,000	$155,000,000
Consenting, permitting and designations	$343,000,000	$7,673,000,000
Compliance and enforcement	$127,000,000	$2,853,000,000
Dispute resolution	$41,000,000	$928,000,000
System self-review	$4,000,000	$9,000,000
Total	**$545,000,000**	**$11,969,000,000**

Table 8: Detailed analysis of establishment administrative costs of Proposed Reforms in present value

Affected Party	Impact	Estimate (Present value)
The Acts (legislative framework) administrative costs (establishment)		
Central government	Develop and support the Planning Act and NEA	$21 million

Estimated establishment administrative cost of national direction and implementation of Proposed Reforms		
Central government	Develop two new National Direction	$4.13 million
	Implement two new National Direction	$7.9 million
	Ensure coherence across National Directions	$4.9 million
	Develop Nationally Standardised zones	$72 million
	Develop Environmental limits	$43 million
	Develop a national standard for caps or action plans on over-allocated resources	$1 million
	Develop a national standard to set limits and processes for regional councils to set limits, set a wide range of standardised plan content, set standard consent conditions, and set standards for evidence analytical inputs to plans.	$3.6 million
Local Government	Implement national direction	$111 million
	Prepare part of the land use plan that relates to their district	$29.3 million
	Prepare part of the environmental limits that relates to their district	$87.7 million
	Councils to set targets (quantum and time) to achieve, mapping out a path for bringing resource use within the allocable quantum or limit.	$19.6 million
Estimated establishment administrative cost of spatial planning of Proposed Reforms		
Central government	Developing regional spatial plans	$38.9 million
	Implementing regional spatial plans	$12.5 million
	Spatial plan secretariat function	$0.27 million
Local Government	Developing regional spatial plans	$77.85 million
	Implementing regional spatial plans	$12.5 million
Estimated establishment administrative cost of regional and district plan-making and implementation of Proposed Reforms		
Central government	Developing National E-portal	$72 million
	Combined e-plan	$28.6 million
	Natural environment plan	$28.6 million
	Regulatory relief framework	$0.54 million
Local Government	New National e-portal	$3.75 million
	Developing a chapter for combined plan	$180 million

	Natural environment plan	$180 million
	One IHP is established per region to consider submissions on natural environment, land use plan(s), and spatial plans	$143 million
Estimated establishment administrative cost of consenting, permitting, and designations of Proposed Reforms		
Local Government	Adjusting to new consenting system	$21.3 million
	Feedback on adaptive management framework	$0.04 million
Central Government	Develop a land release mechanism	$0.67 million
	Develop an adaptive management framework and precautionary principles	$0.54 million
Estimated establishment administrative cost of compliance and enforcement of Proposed Reforms		
Central government	Establishment of a stand-alone independent national regulator with regional presence	$24 million
Estimated establishment administrative cost of dispute resolution of Proposed Reforms		
Central government	Must appoint staff and set up organisation and resources to operate and develop legislative functions for planning tribunal	$33.3 million

Table 9: Detailed analysis of ongoing administrative costs of Proposed Reforms in present value

Affected Party	Impact	Estimate (Present value)
Estimated ongoing administrative cost of legislative framework of Proposed Reforms		
Central government	There will be costs imposed from amendments to both Acts	$4.3 million
Estimated ongoing administrative cost of National Direction of Proposed Reforms		
Central government	Amendments to National Directions	$4.3 million
	Minor Technical Amendments to National Directions	$2 million
	Need to fund the operating costs of increased functions for Heritage NZ such as managing historical matters related to National Direction.	$15.8 million
Local Government	Supporting services to facilitate trading	$292 million
Estimated ongoing administrative cost of spatial planning of Proposed Reforms		
Central government	Planning Act will provide for spatial plans to be updated on regular basis	$59.27 million
	Significant updates of spatial plans	$2.3 million
	Ongoing operating costs to maintain and update e-portal	$44.8 million

	Spatial plan secretariat	$150.5 million
Local Government	The Planning Act will provide for spatial plans to be updated on a regular basis. Coordination documents are required to be updated at least every three years	$197 million
	Significant updates of spatial plans	$3.7 million
Estimated ongoing administrative cost of regional and district plan-making and implementation of Proposed Reforms		
Central Government	Audits of natural environment, land use, and spatial plans	$8.52 million
Local Government	Plan reviews and changes	$274 million
	Ongoing administration of regional and local plans at Regional and Local councils	$1.44 billion
	Regulatory relief framework	$43 million
Estimated ongoing administrative cost of consenting, permitting, and designations of Proposed Reforms		
Local Government	Consent applications--land use, subdivision and combined land-use and subdivision	$1.861 billion
	Consent applications--Water, coastal and discharge	$506 million
	Taking prosecution action	$502.7 million
	Hearings	$102.6 million
Estimated ongoing administrative cost of compliance and enforcement of Proposed Reforms		
Central Government	Ongoing opex of independent regulator	$476.4 million
	Environmental monitoring	$1.457 billion
Local government	Compliance and performance costs	$1.7 billion
	Environmental monitoring	$2.93 billion
Estimated ongoing administrative cost of dispute resolution of Proposed Reforms		
Central government	Resourcing the ongoing functions of the Planning Tribunal	$79.3 million
	Operating costs of the Environment Court	$165 million
Estimated ongoing system self-review administrative costs		
Central government	Ongoing review of RM system performance	$6.3 million
	Having an independent review point every 10 years	$8.2 million
Local government	Changes from independent review findings	$13.4 million

Table 10: Detailed analysis of establishment compliance costs of Proposed Reforms in present value

Affected Party	Impact	Estimate (Present value)
Estimated establishment compliance cost of legislative framework of Proposed Reforms		
Local government	Submissions and consultation on the development of Planning Act and NEA	$1.56 million
Māori	Submissions and consultation on the development of Planning Act and NEA	$0.37 million
RM Users	Submissions and consultation on the development of Planning Act and NEA	$0.88 million
Estimated establishment compliance cost of national direction and implementation of Proposed Reforms		
Local government	Submission and professional fees on new National Direction	$1.9 million
RM Users	Submission and professional fees on new National Direction	$2.5 million
	Consultation on environmental limits	$0.5 million
Māori	Submission and professional fees on new National Direction	$0.5 million
	Consultation on environmental limits	$0.073 million
Estimated establishment compliance cost of spatial plans of Proposed Reforms		
Māori	Submissions on spatial plans	$23 million
RM Users	Submissions on spatial plans	$44.2 million
Estimated establishment compliance cost of regional and district plan-making and implementation of Proposed Reforms		
RM Users	Submissions on Natural Environment Plan and Combined District Plan	$10 million per plan
Māori	Submissions on Natural Environment Plan and Combined District Plan	$7.8. million per plan
Estimated establishment compliance costs of consenting, permitting, and designations of Proposed Reforms		
RM Users	Adjustment period to new consenting mechanisms	$62.5 million
	Consultation on a land release mechanism	$0.12 million

Table 11: Detailed analysis of ongoing compliance costs of Proposed Reforms in present value

Affected Party	Impact	Estimate (Present value)
Estimated ongoing compliance costs of the legislative framework of Proposed Reforms		
Local government	Submissions on amendments to the Planning Act and NEA	$4.3 million
Māori	Submissions on amendments to the Planning Act and NEA	$4.3 million
RM Users	Submissions on amendments to the Planning Act and NEA	$4.3 million
Estimated ongoing compliance costs of national direction and implementation of Proposed Reforms		
Local government	Submissions on amendments to the National Directions	$4.3 million
Māori	Submissions on amendments to the National Directions	$4.3 million
RM Users	Ongoing costs of users participating in the resource allocation and trading scheme	$224 million
	Submissions on amendments to the National Directions	$4.3 million
	Submissions on minor technical amendments to the National Directions	$1 million
Estimated ongoing compliance costs of regional plan-making and implementation of Proposed Reforms		
Local Government	Regulatory justification reports	$75 million
Māori	Submitting and participating in proposed plan changes	$38 million
RM Users	Submitting and participating on proposed plan changes	$41.9 million
Estimated ongoing compliance costs of consenting, permitting and designations of Proposed Reforms		
RM Users	Consent applications--land use, subdivision and combined land-use and subdivision	$5.462 billion
	Consent applications--Water, coastal and discharge	$1.485 billion
	Responding to prosecutions	$603 million
Local Government	State of environment monitoring and making data readily available	$122 million
Estimated ongoing compliance costs of compliance and enforcement of Proposed Reforms		
RM Users	Responding to enforcement actions and ensuring compliance	$2.85 billion

Estimated ongoing compliance costs of dispute resolution of Proposed Reforms		
RM Users	Cost of applicants and respondents through litigation in the Planning Tribunal	$107 million
	Cost of applicants and respondents through litigation in the Environment Court	$21.5 million
Estimated ongoing compliance costs of system self-review		
RM users	Submissions on proposed changes resulting from ongoing reviews	$5.88 million
Māori	Submissions on proposed changes resulting from the review	$3.3 million

Appendix 2: Stage 1 Cost Recovery Impact Statement (CRIS)

Funding Tools for cost recovery under the proposed Planning Act and the Natural Environment Act

1. Cabinet has agreed to replace the Resource Management Act 1991 (RMA) with two new pieces of legislation with clear and distinct purposes: one to manage environmental effects arising from activities, and another to enable urban development and infrastructure. This section sets out the status quo under the RMA, and also how the proposed system is intended to work based on the reform proposals (within which the cost recovery decisions should be understood).

RMA status quo

2. The RMA provides consent authorities (territorial authorities and regional councils) the ability to recover their costs of consenting and associated functions through setting fees and charges. It is intended that these provisions will be carried over into the new system.
3. Under the RMA, functions such as the development of national direction and system monitoring are currently funded by the Crown.

Proposed system context relevant to understanding status quo

4. Standardisation at the national level will increase under the new system, shifting the focus of policy setting to a national level. National standards including nationally standardised zones, would provide a consistent approach to the regulation of activities. The greater use of national standards would reduce the need for resource consents.
5. Landowners undertaking development activities and natural resource users are the main system users who will benefit from increased standardisation in the new system. It is intended that through increased use of standardised provisions, including standardised consent conditions and permitted activity conditions, the cost of consenting will decrease in terms of time, money and the number of consents needed. While consenting (and planning) costs will decrease, costs to central government are expected to be higher in the new system.
6. Overallocation of natural resources affects human activities and ecosystem health. It is intended that the new system has increased powers to address over-allocation.

Background on earlier decisions

7. Relevant Cabinet decisions occurred in March 2025, where Cabinet agreed:
    a) 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, and
    b) 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 [CAB-25-MIN-0080 refers].
8. The Minister for RMA reform and the Parliamentary Under-Secretary for RMA reform have decided, under delegation, that the NEA would include the ability to recover the costs of administering the NEA at the national and regional level, enabling regulations to set charges.

9. What is being proposed is a statutory authority to charge across the:
    a) proposed Planning Act to include the *ability to set a levy*, via secondary legislation, on consents and registered permitted activities. the purpose of the levy funds would be used to fund the development of national instruments and system monitoring, and
    b) proposed NEA to include the *ability to set charges*, via secondary legislation. The NEA would enable the setting of two distinct levies: a levy for the purpose of recovering the costs of administering the Act at the national and regional level (eg, to fund central government and Ministerial functions, including the development of national instruments and system monitoring as well as regional government functions such as enabling new allocation methods to be operationalised); and a separate levy to address overallocation and providing for efficient resource use.

Overview of decisions made and scope of decisions covered in CRIS Stage 1

10. The key decisions that have been made on cost recovery through delegated decisions are:
    a) New powers in the primary legislation to enable the responsible minister to impose a charge through secondary legislation
    b) Enabling or directing councils to set charges following parameters set in secondary legislation.
11. It is not intended that any specific charges are set at this current time. The statutory power being sought is the ability to set a levy i.e. adding another mechanism for the Minister to fund the system. A more comprehensive breakdown and analysis of user charges, which will comprise of both direct and indirect costs, will need to be provided in a future CRIS Stage 2 when agreement on the specific levy and charges is being sought.

Policy rationale and decisions - System administration costs in the proposed Planning Act

12. Under the proposed Planning Act, the user charge being proposed is a levy that would fund certain central government and Ministerial functions – specifically the development of national instruments, and system monitoring. A levy is the most appropriate user charge as parties undertaking activities subject to regulation should contribute towards the costs of funding key functions. However, because the relevant costs do not relate to a particular good or service; it is charged to a particular group to help fund a particular government objective or function where it is considered desirable that that group contribute to the cost.

Policy rationale and decisions - Natural resource charging and system administration costs in the proposed Natural Environment Act

13. With respect to the proposed NEA, a levy is the most appropriate user charge as it would most closely align with the type of charge Cabinet has agreed to (ie, imposing a charge on a specific group of users for specified purposes). A levy would address issues related to overallocation and providing for efficient use as well as enable the recovery of costs for administering the Act at the national and regional level. Finally, a levy would provide a degree of flexibility and minimise legislative complexity, while ensuring that revenue is to be spent in ways that are aligned with the purposes of charging.

a) It is proposed that the primary legislation would enable the introduction of two levies: one to recover the costs for administering the Act at the national and regional level; and a separate levy to address overallocation and provide for efficient use where needed.
b) It is intended that the levy would be used to fund central and regional government functions related to monitoring, investigations, public education, national standards development, supporting science and tool development, administrative costs of enabling new allocation methods, and other administrative costs not recovered elsewhere.

Why a levy is the most appropriate form of charge

14. The costs covered by the proposed charges would not be able to be recovered by existing cost recovery provisions because they are not easily attributed to an individual. LDAC guidelines, chapter 17, part 2 advises that a levy may be the most appropriate form of charge when it is desirable that parties undertaking activities subject to regulation contribute towards the costs of funding key government functions or objectives. A levy does not relate to a specific good or service provided to an individual.
15. The proposed Acts intent to cover the costs of functions and activities that provide broader public benefit — those benefits amount to public goods given they are non-excludable and non-rivalrous. An example would be system monitoring which offers broad direct and indirect benefits to all New Zealanders. It is impractical or undesirable to exclude people from accessing these benefits, and one person's use does not diminish their availability to others. We consider it is important both new Acts make it possible for the proposed costs to be covered by system users. This would enable key functions and activities to be produced for specific purposes with public benefit. At the same time, using a levy as the charging mechanism (rather than a tax) is meant to ensure that the amount to be charged and the way revenue is spent are clearly aligned with the purposes of charging.
16. We note the building levy is charged on building consents when the value of the construction exceeds a certain threshold and is used to fund the functions of the chief executive under the Building Act. This includes maintenance of the Building Code, which is a public good, but there is a case for funding it from system users. We consider the same principles would apply to the funding of national standards, system monitoring, and other administrative functions.

Supporting analysis

17. The exact percentage or dollar value to be charged for each type of levy is unknown at this point of the policy process. Enabling these levies to be set in regulations would make it possible for most parties undertaking activities subject to regulation to contribute towards the costs of funding key functions and activities. However, we expect the levies paid would only partially offset the costs.
18. Both proposed Acts would enable the charging of a levy to individuals and businesses that are issued consents or permits or are conducting registered permitted activities. For context the number of resource consent applications under the RMA has ranged from approximately 30,000 to 40,000 per year over the last decade. However, in the new system consent numbers are expected to decrease with more activities being permitted. The number of registered permitted activities applications between the period August 2020 to May 2025 was 16,498.

19. It is not possible to estimate the amounts that may be levied due to the early stages of policy development. However, for context, the cost of national instruments can vary depending on the complexity and scope - it can range from around $1 million to $2 million per year, including $0.3 million for litigation costs. There are ten national environmental standards currently in force.
20. Policy work is a significant driver of the costs as we expect that there will be more policy work required under the new system. For context, there was $128.4 million allocated for 2025/26 financial year for the development and provision of policy advice and other support to Ministers on environmental matters, implementation of policy, and monitoring of domestic environmental management.
21. Policy work will be completed on the establishment, operation, monitoring and evaluation of the levies under the new system. The Ministry for the Environment would expect to create memorandum accounts to collect and appropriately hypothecate the revenue from the associated levies. The memorandum account will be set up to provide visibility of the balance of income and expenditure associated along with the drivers of any surpluses or deficits.

Consultation

22. These proposals have not been subject to public consultation but have been tested with government agencies.
23. Several agencies supported the idea of funding national standards and system monitoring from user levies, while recommending consultation and robust analysis before fees are agreed upon for industry to avoid unfair cost burdens on industry. Other agencies considered that these functions are more appropriately funded through general taxation.
24. Some agencies raised broader system level concerns including the lack of analysis on impacts to housing affordability, Māori rights, and climate adaptation, and urged further assessment before decisions are made. These concerns will be assessed through future decision-making processes when introducing a levy and setting the levy amount or methods to calculate a levy amount. These would be a subsequent set of decisions with a CRIS stage 2.
25. Regarding natural environment system charges, a common concern was that the enabling nature of proposals, and the lack of detail in primary legislation about what new charges could be, creates uncertainty in the new system, including investment uncertainty. Nevertheless, there was also general support for a new resource management system where charging can support environmental improvements.
26. The public will have opportunities to submit during the select committee process for the legislation. In addition, if and when any specific charges are set under the proposed empowering provisions, it is intended that there will be a more fulsome public consultation process.

Appendix 3: Context for delegated decisions

Matter 1: Direction setting and scope of system

Context

1. The legislation needs to guide decision-making and frame how instruments in the system (national policy direction, national standards, spatial plans, natural environment plans, and land use plans) are made and what they can include. Otherwise, the system is open to wide interpretation, scope creep, and potential legal challenge. In addition to setting scope, it is important to set out what these instruments are collectively seeking to achieve. The purpose clause, legislative goals, principles, and the scope of effects managed in each of the acts can all work together to guide decision making in the system.
2. What effects, and how those effects, are regulated is a key shift underpinning resource management reform. The volume of effects managed by the system and number of people considered affected parties in relation to land use, currently impacts how enabling and costly the system is for users.
3. In March 2025 Cabinet made decisions relating to the purpose, goals, and principles of the legislation; national instruments (previously called national direction framework); and the approach to effects management. The March 2025 Regulatory Impact Statement supported Cabinet's decision making on these issues through analysis of the following matters: legislative structure (Matter 1 in the RIS); property rights (Matter 2); scope of effects (Matter 3); scope of the system (Matter 4); and standardisation (Matter 5).

Key decisions already made by Cabinet

Purpose, goals and principles

4. Cabinet agreed in principle that each Act will have a set of legislated goals and principles which will focus on the essential functions of land use planning and natural resource management.
5. Cabinet also 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.
6. Cabinet noted 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.

National instruments

7. Cabinet agreed the responsible Ministers will be empowered to develop the following national instruments:
    a) a single mandatory National Policy Direction (NPD) under each Act
    b) national standards under each Act, including nationally standardised zones under the Planning Act and environmental limits under the NEA
    c) regulations under each Act, including but not limited to emergency or urgent response provisions, technical matters, matters requiring frequent updating and administrative matters.
8. Cabinet agreed that national standards will:
    a) implement the NPD under each Act
    b) ensure a consistent approach to the regulation of activities across the system.

Effects management

9. Cabinet agreed that the new system will 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.
10. Cabinet agreed that the new legislation will raise the threshold for the level of adverse effects that can be considered in setting rules and determining who may be affected by a resource consent.

Matter 2: Environmental limits and allocation of natural resources

Context

11. An environmental limit defines the extent of nature's capacity to absorb pressure from the use and development of natural resources. Environmental limits can help ensure resource use is sustainable by defining and protecting how much of a resource is needed to protect human health and the life-supporting capacity of the resource.
12. To provide for both growth and development whilst protecting the environment requires that environmental pressures are managed, and resource use is allocated within prescribed limits.
13. Having a clear framework for limits goes to the heart of these reform objectives. The limit setting framework is designed to create more certainty in the system so that users know where development can and should be enabled.
14. In March 2025, Cabinet made decisions about the role of environmental limits in the new system, and these were supported by analysis in the Regulatory Impact Statement (Matter 7).

Key decisions already made by Cabinet

15. The responsible Minister will be empowered to make environmental limits under the NEA.
16. The responsible Minister will be required to prescribe limits nationally or set default methods for limits to be developed at the regional level, or both.
17. Limits to protect human health will be set nationally and limits to protect the natural environment will be set by regional councils following a set methodology.
18. The NEA will include the following framework for setting limits:
    a) mandatory domains for which limits must be set
    b) criteria for setting management units
    c) a process for setting limits nationally to protect human health
    d) a process for regional councils to follow to set limits to protect the natural environment.
19. The NEA will require resource use to be capped to ensure a limit is not breached.
20. The NEA will include procedures for some existing over-allocated resources to achieve limits over time.
21. New allocation methods will be able to be switched on by resource and/or region.

Matter 3: Spatial planning

Context

22. Spatial planning is a growing practice in New Zealand and though many plans are developed voluntarily, under the National Policy Statement on Urban Development (NPS-UD), Tier 1 and Tier 2 local authorities are required to undertake a form of spatial

planning for their urban environments in the form of future development strategies (FDS). Tier 3 local authorities are encouraged but not required to prepare future development strategies.

23. FDSs and voluntary spatial plans lack legal weight over regulatory plans and have very limited influence over funding plans, which prevents them from efficiently integrating land use and infrastructure matters.
24. In March 2025, Cabinet made high-level decisions about the role of spatial planning in the new system. The supporting Regulatory Impact Statement provided analysis of a number of options in relation to spatial planning (Matter 9) including relating to:
    a) where spatial planning is required
    b) the scale and scope of spatial planning
    c) the weight of spatial plans on regulatory and investment decisions
    d) governance and decision-making arrangements
    e) the process to develop spatial plans
    f) implementation of spatial plans.
25. Cabinet did not take decisions on all of these detailed matters in March 2025.

Key decisions already made by Cabinet

26. Long-term strategic spatial plans will simplify and streamline the planning system, enable development within environmental constraints and have sufficient weight and reach to better align land use and infrastructure planning and investment.
27. Spatial planning requirements sit under the Planning Act but are designed to help integrate decisions under both Acts at a strategic level, resolving conflicts where possible.
28. Spatial planning will also promote integration of regulatory planning under the Planning Act and Natural Environment with infrastructure planning and investment.
29. 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.

Matter 4: Regulatory plan making

Context

30. A key part of an efficient and productive resource management system is streamlined plan-making, planning consents, permits and designations. Streamlined processes will enable New Zealand to plan for land and resource use in ways that better support growth and remove complexities for users.
31. Designations under the RMA allow for critical public works on identified land. A designation acts like a special zoning overlay in a district plan, allowing the requiring authority to carry out specific activities irrespective of the provisions of the district plan.
32. The Regulatory Impact Statement supporting Cabinet's March 2025 decisions analysed options related to regulatory plan-making including in relation to standardisation (Matter 5), permissiveness (Matter 6), and dispute resolution (Matter 10).

Key decisions already made by Cabinet

33. Cabinet agreed the new system would narrow the scope of the resource management system and the effects it controls, national policy direction and nationally

standardised zones will simplify plan-making, consenting and designations, and development and enjoyment of property rights would be enabled.

34. Cabinet agreed to keep the function of regulatory plans in the new system, with natural resource plans and land use plans replacing existing regional plans and policy statements and district plans. Cabinet also agreed that plans within a region would form chapters of one combined plan, alongside the spatial plan chapter.
35. Cabinet set a legislative design principle to provide for rapid, low-cost resolution of disputes between neighbours and between property owners and local authorities, with a planning tribunal (or equivalent) providing an accountability mechanism. Cabinet has also agreed in principle that the institutional design for the new tribunal be established by the commencement of the legislation.

Matter 5: Treaty provisions and process to uphold Treaty settlements and related arrangements

Context

36. One of Cabinet's agreed legislative design principles for the new system was to "uphold Treaty of Waitangi settlements and the Crown's obligations".
37. The Expert Advisory Group's (EAG's) Blueprint for resource management reform, when considering this design principle, noted the Crown's obligations in respect of planning and environmental management are based in the Treaty of Waitangi and go well beyond what is recognised and provided for in Treaty settlements. The EAG also noted settlements "rely on the broader framework [of Treaty-related provisions] in the RMA to operate".
38. The EAG recommended that, in addition to protections for Treaty settlements, the new system carry forward the main protections for Māori interests in the RMA, with some more specificity as to how they are applied. The recommendations included retaining:
    a) the requirement to take into account the principles of the Treaty / te Tiriti in section 8 of the RMA
    b) objectives that require provision for Māori cultural matters similar to those in sections 6(e), 6(g) and 7(a) of the RMA, which relate to the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu and other taonga; protected customary rights; and kaitiakitanga
    c) existing mechanisms for Māori participation, with further provision for Māori engagement in national instruments and plan-making.

Key decisions already made by Cabinet

39. Cabinet agreed that, prior to introduction of the new legislation, the delegated decision makers, would report back to finalise an approach of a Treaty clause that would recognise the Treaty and the uniqueness of settlements, and rule out the use of a general Treaty clause as recommended by the EAG and currently expressed in section 8 of the RMA.

Matter 6: Specific regimes – heritage and Water Conservation Orders (WCOs)

Context

40. Regulation of heritage is largely devolved to councils under the RMA. The Heritage New Zealand Pouhere Taonga Act 2014 (HNZPT Act) also provides for separate

regulation of archaeological sites by Heritage New Zealand Pouhere Taonga (HNZPT).

41. The current system for protecting and managing urban trees is inefficient and ineffective. A variety of planning rules and practices have developed throughout the country which has led to uncertain outcomes and inconsistent approaches to heritage management. There are lengthy schedules, costly consents for maintenance and removal, and no consideration of tree canopy coverage, which is key for realising the benefits of urban trees.
42. Related issues were considered in the Regulatory Impact Statement supporting Cabinet's March 2025 decisions (Matter 4: Scope of the system).
43. WCOs are a tool designed to recognise and protect the outstanding values of particular bodies of water (rivers, lakes, wetlands etc.). WCOs work by identifying the outstanding characteristics or values of a water body and then putting in place restrictions or prohibitions to protect those characteristics that direct how the regional council can manage the resource. Anyone can apply for a WCO. Applications must be made to the Minister for the Environment and identify the water body concerned, state the outstanding values, describe the protections sought and the outline effect those protections would have on the water body.

Key decisions already made by Cabinet

44. A legislative principle set by Cabinet was to narrow the scope of the resource management system and the effects it controls, with the enjoyment of property rights as the guiding principle.
45. Cabinet directed officials to report back on where heritage should sit in the system prior to introduction to Parliament of the new resource management legislation.

Matter 7: Compliance and enforcement

Context

46. Criticism has been levelled at the current compliance and enforcement system as being too focused on punishment for offending (and environmental harm) that has already occurred, rather than preventing it from occurring in the first place. Previous reforms had sought to resolve this by adopting amendments that increased deterrence, provided greater accountability for duty holders, and introduced new tools to enable regulators to take a more nuanced, preventative and remediative approach resolving non-compliance.

Key decisions already made by Cabinet

47. Cabinet has not made specific decisions about compliance and enforcement but the Regulatory Impact Statement supporting Cabinet's March 2025 decisions provided an analysis of options relating to certain aspects of compliance and enforcement including in Matter 11 (A) institutional arrangements for compliance and enforcement; and (B) compliance and enforcement tools.