Hon Chris Bishop

Minister of Housing
Minister for Infrastructure
Minister Responsible for RMA Reform
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Leader of the House
Associate Minister of Finance



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Tēnā koe,

I am writing to inform you of the progress we have made to improve the resource management system and meet the Coalition Government's objective for a faster growing, more productive economy.

It is widely accepted that the resource management system is not fit for purpose. Consensus on that point was reached almost a decade ago. We need a resource management system that protects the environment not by resisting growth but by setting clear rules, so growth occurs within limits.

Progress to date

I would like to update you on the progress we have made over the last year.

We have divided our reform into three phases.

The first phase, repealing the Natural and Built Environment Act and Spatial Planning Act, was completed in December 2023. We did not take the decision to repeal those Acts lightly, but they would not have achieved the objectives needed for New Zealand to grow and thrive.

The goal of Phase Two is to improve the performance of the Resource Management Act 1991 (RMA) by removing unnecessary regulations for primary industries and barriers to investment in development and infrastructure while maintaining environmental protections.

Phase Two includes:

- The Fast-track Approvals Bill to create a one-stop shop for approvals, consents and
 permissions to speed up the delivery of regionally and nationally significant projects.
 This Bill is currently in front of the select committee and we expect it to be passed
 into law by the end of 2024. You can find more information about this process here Fast-track Approvals Bill | Ministry for the Environment
- Targeted amendments to the RMA will relieve the most significant issues in the Act through the:
 - Resource Management (Extended Duration of Coastal Permits for Marine Farms)
 Amendment Bill
 - Resource Management (Freshwater and other Matters) Amendment Bill which includes changes to freshwater management, stock exclusion and winter grazing rules, marine farming consents, and Significant Natural Areas. This Bill also streamlines the process for changes to national direction. It is currently before select committee, and we also expect it to pass by the end of this year.
 - Resource Management Act Amendment Bill (RMA Amendment Bill Two) is currently in development. We expect to introduce it before the end of 2024 and passed into law by mid-2025.

 A package of National Direction – including amendments to 14 current National Policy Statements (NPS) and National Environmental Standards (NES), as well as seven new national direction instruments. We will consult on these in early 2025 and along with the second Bill they are expected to be passed into law in mid-2025.

We have focused our changes to the RMA on the things that will have the largest impact in the short term and contribute to the Coalition Government's priority programmes: Electrify NZ, Infrastructure for the Future, Going for Housing Growth and the Primary Sector Growth Plan.

The second RMA amendment bill and the new national direction package gives effect to these coalition commitments and changes to the RMA will unlock development and drive a more efficient and effective resource management system. These changes will transition into the new system once it is in place.

The changes can be grouped in four distinctive packages. These are:

- Infrastructure and Energy
- Housing
- Farming and primary sector
- Emergency response and natural hazards

Infrastructure and Energy

This package will develop further national direction to enable a range of productivity-boosting energy and infrastructure projects, including a new NPS-Infrastructure. It will also provide a consistent approach to quarrying and extend the duration of port coastal permits by a further 20 years. Changes to the NES-Telecommunications Facilities will keep up to date with technological developments and give telcos greater certainty and reduced consenting costs as they upgrade their infrastructure. The Government's Electrify NZ reforms will make it easier to consent and reconsent renewable energy.

More information on our Electrify work programme is available here - <u>Next steps on</u> Electrifying New Zealand | Beehive.govt.nz.

Housing

The housing package will contain reforms needed to enable the first pillar of the Government's Going for Housing Growth policies. These changes will require councils to provide for 30-years' worth of housing growth while providing flexibility for councils to opt out of the Medium Density Residential Standards. Changes are also being made to the National Policy Statement on Urban Development and the National Policy Statement for Highly Productive Land, along with guidance for effective heritage management and developing new national direction to enable granny flats and papakāinga housing.

More information on our Going for Housing Growth work programme is available here - Going for Housing Growth speech | Beehive.govt.nz

Farming and the Primary Sector

The primary industries package will contain changes to drive primary sector productivity. This package will mainly give effect to National Party Manifesto promises and coalition agreements. We are amending the National Policy Statement for Highly Productive Land to make it clear that indoor primary production and greenhouses are permitted on highly productive land, as well as specifying that farmers are also allowed to build new specified infrastructure such as solar farms on that land.

More information on our Farming and the Primary sector work programme is available here - Government confirms RMA reforms to drive primary sector efficiency | Beehive.govt.nz

Emergency Response and Natural Hazards

This package provides a comprehensive, nationally consistent framework for addressing the risks posed by natural hazards, including risks from climate change. Rather than a two-step process as previously intended, we have decided to progress this work as a single instrument. This will provide direction to councils on how to identify natural hazards, assess the risk they pose, and how to respond to that risk through planning controls. The RMA Amendment Bill Two will include improved emergency provisions to better enable rapid responses to disasters.

A list of specific items under these four areas is available in Appendix One. You can find out more about Phase Two in my recent <u>Speech to the Local Government New Zealand Conference</u> | Beehive.govt.nz.

Replacing the RMA

The reforms of Phase Two will carry over into the long-term replacement for the RMA which is the focus of Phase Three of the RM Reform programme. This phase advances the Coalition Government's commitment to replace the RMA by a new system that will be rules-based and embed respect for property rights and the rule of law.

Cabinet has agreed the new resource management system will have three core tasks:

- 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)

It must achieve these objectives 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

There are ten principles that underpin the new system. These will be tested and refined by a Resource Management Expert Advisory Group (EAG). The EAG will develop a blueprint of the new system over the next three months – a workable and practical plan that officials can quickly turn into new legislation. This blueprint is due back to me before Christmas.

The EAG will bring fresh thinking, expertise and practical knowledge, working closely with officials from across government to make sure Ministers can make the decisions needed to draft the new legislation as quickly as possible. It will be chaired by Janette Campbell and comprises experts with relevant technical knowledge ranging from resource management law to planning and te ao Māori. Members are Christine Jones, Paul Melville, Rukumoana Schaafhausen, Kevin Counsell, Gillian Crowcroft and Mark Chrisp.

Public consultation on the proposals will occur primarily through the select committee process.

Key aspects of the resource management system

Principles guiding the development of the new system are the following:

- narrow the scope of the resource management system and the effects it controls
- establish two Acts with clear and distinct purposes one to manage environmental effects arising from activities, and another to enable urban development and infrastructure
- strengthen and clarify the role of environmental limits and their development
- provide for greater use of national standards to reduce the need for resource consents and to simplify council plans, such that standard-complying activity cannot be subjected to a consent requirement
- shift the system focus from consenting which happens before the event to strengthening compliance, monitoring and enforcement
- use spatial planning and a simplified designation process to lower the cost of future infrastructure
- realise efficiencies by requiring councils to jointly prepare one regulatory plan for their region
- provide for rapid, low-cost resolution of disputes between neighbours and between property owners and councils
- uphold Treaty of Waitangi settlements and the Crown's obligations
- provide faster, cheaper and less litigious processes within shorter, less complex and more accessible legislation.

I have instructed my officials to test these principles with key partners and stakeholders in parallel with the EAG and I will report back to Cabinet on this feedback too.

Key aspects of the new resource management system will go to Cabinet for agreement at the beginning of 2025, and legislation will be introduced and passed before the next election.

You can find out more about these principles in the Speech on replacing the Resource Management Act and Replacement for the Resource Management Act takes shape | Beehive.govt.nz.

Looking forward

I know our timeline is ambitious, but we have critical issues to solve if we are to turn New Zealand's economy around, increase productivity and make things easier to do. I am acutely aware of the need to reset the resource management system in a way that is pragmatic and targets the most significant issues first.

The instruments from Phase Two, and other important elements of the existing system such as plans will transfer over, with a "switching off" of any elements incompatible with the new system.

This is critical to accelerate and smooth the transition, lightening the load on councils and those who use the resource management system, and avoiding long implementation times. Some RMA settings will be retained for this work to be carried forward with minimal disruption, and to uphold Treaty settlements.

The proposed Phase Three changes will be designed to be implemented as quickly as possible and to minimise disruption on those who use the system. By limiting scope and targeting council effort to more complex issues, the replacement system will deliver reduced costs to both councils and ratepayers.

Our goal is to replace unnecessary regulation with clear rules to unlock the double dividend of higher growth and better environmental outcomes.

By redirecting only a fraction of the resources consumed by RMA processes, we can protect the environment and provide clear pathways for investment and growth within environmental limits.

We look forward to your working with you as we do this.

Yours sincerely

Hon Chris Bishop

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Minister Responsible for RMA Reform

Appendix One: Detailed items under RMA Amendment Bill 2 and the National Direction Package

The national direction policy proposals described below are still in development. We have provided this content to support engagement and to seek your initial thoughts on the direction of travel. We expect to formally consult on more detailed policy proposals in early 2025.

RMA Amendment Bill 2

Fisheries Act and RMA

 Reduce regulatory overlap between the RMA and the Fisheries Act 1996 to provide certainty for fishers

Port permits

• Extension of port permits duration – section 384A of the RMA

Consenting

- Amend the RMA to require renewable energy generation consents (excluding hydro and geothermal) to be decided within one year of application.
- Establish a one-year limit to reconsent existing renewable electricity generation assets
- Require resource consents for wood processing facilities to be decided within one year
- Improve flexibility and encourage innovation for existing marine farms by providing more certainty for change of consent conditions
- Enable Councils to recover cost for reviewing consent conditions when the review is a result of national direction
- Amendments to provide greater clarity on the scope of further information requests and requirements for consents
- Progress default 35-year consent durations for renewable energy and long-lived infrastructure
- Increase the lapse period for designations from 5 to 10 years to provide more time to progress infrastructure projects
- Increase the default lapse period so the time to give effect to a renewable energy consent is 10 years or longer
- Provide certainty for discharge rules under section 70

Housing Growth

- Ratification vote and allowing relevant councils to opt-out of the Medium Density Residential Standards (MDRS), provided they demonstrate 30 years' worth of housing growth
- Intervention powers to ensure compliance with National Direction

 Planning change processes for opting out of the MDRS and for councils still undertaking intensification streamlined planning processes (including Auckland Council)

Heritage management

 Heritage management (focusing on approaches to listing and de-listing heritage buildings)

System improvements

- Amend part 9A of the RMA to provide more flexibility for farm plan regulations
- Improvements to compliance regime, including increased penalties and limiting access to insurance
- Technical improvements to DOC functions to manage discharges, compliance and enforcement

Natural Hazards and Emergency Response

- Improvement to emergency provisions, including a new regulation-making power for emergency responses and clarification of notification of entry requirements
- Ability to decline land-use consents, or attach conditions, where there are significant risks of natural hazards
- New plan rules relating to natural hazards have immediate legal effect from notification

Integrated National Direction Package

Infrastructure and Energy

- NES Telco Facilities
- Update the maximum pole heights in residential areas to reflect requirement for Medium Density Residential Development through the NPS-UD
- Update cabinet sizes in residential areas to support infrastructure resilience and the roll out of 5G technology
- Update antenna dimensions (eg, size and height) to reflect 5G technological developments and to avoid larger radio frequency fields from entering the public domain
- Consider the expansion or amendment of some permitted activities under the NES-TF, in particular to accommodate temporary facilities or emergency activities
- NPS Infrastructure (new)
- NPS to provide consistent consenting pathways for enabling the development, operation, maintenance and upgrade of infrastructure while managing its effects across a range of natural environments
- The interface between infrastructure activities and other activities and people, including in the built environment.
- NPS Renewable Electricity Generation
- NPS Electricity Transmission

- New content for National Policy Statement for Renewable Electricity Generation (NPS-REG)
- New content for National Policy Statement for Electricity Transmission (NPS-ET)
- These amendments will create more directive and enabling national direction for renewable electricity generation, transmission and distribution.
- Work on national environmental standards for renewable electricity generation, electricity transmission and distribution will follow the national policy statements. The national environmental standards will include nationally consistent rules for these activities, such as specifying activities that can be undertaken without consent, provided the standards are met.
- The standards will replace the rules in Regional and District Council, meaning that consent processes will be more certain, and due to the enabling nature of the standards, be more likely to gain approval.
- NES Electricity Transmission Activities
- Amendments to NES-ETA
- NZ Coastal Policy Statement
- Targeted review of policies 6, 8, 11, 13 and 15

Housing and Urban Development

- NPS Highly Productive Land
- Amend the NPS to free up land for urban development and remove unnecessary planning barriers, while managing HPL. This includes:
 - Reviewing the definition of HPL as part of the Going for Housing Growth work programme.
 - Ease the urban rezoning tests.
 - Other changes to the NPS-HPL are being considered as part of the wider national direction amendment package (definition of Specified Māori Land, and consistency in mineral extraction and quarrying pathways).
- NPS Urban Development
- Set requirements for housing growth targets
- Enable better spatial planning by aligning Future Development Strategy requirements with housing growth objectives
- Change the responsiveness policy to better enable developers to bring forward areas of growth
- Strengthen the intensification provisions
- Better enable mixed use development
- Better manage outcomes for heritage buildings
- Enabling granny flats

- Direction on enabling 'granny flats' (up to 60m²)
- Enabling Papakainga
- New national direction for Papakāinga
- National Direction on Heritage
- Better manage outcomes for heritage buildings

Farming and the Primary Sector

- NPS NES Freshwater
- Scope of amendments to National Policy Statement for Freshwater Management (NPS-FM) and National Environmental Standards for Freshwater (NES-F) to be confirmed. Expect targeted amendments to be completed through this combined national direction package and further work may follow
- Enable on-farm water storage (ie, as a permitted activity under the RMA, or otherwise)
- Stock exclusion regulations
- Tie stock exclusion rules to local conditions to limit unintended consequences
- Replace nationwide low-slope maps with catchment-level rules that are more consistent with local conditions
- NES Drinking Water
- Amending clauses 7, 8 and 10 and two new rules for mapping requirements and targeted activity controls
- NPS Indigenous Biodiversity
- Applying consistent and defined tests for extractive activities across the NPS-FM,
 NPS-HPL and NPS-IB
- Amendments to significant natural areas (SNA) provisions in the NPS-IB
- NES Commercial Forestry
- Reverse changes that increased council discretion for afforestation
- Repeal National Environmental Standards for Commercial Forestry (NES-CF) clauses (6)(1)(a) and (6)(4)(a)
- Review of slash settings
- NES Marine Aquaculture
- Amend to increase flexibility to innovate, improve management of existing marine farms and make minor and technical amendments

Natural Hazards and Emergency Response

- Natural Hazards National Direction
- Develop new direction for natural hazards that applies to all natural hazards. It may consist of National Policy Statement and National Environmental Standards.

 The objective is to reduce the risk from natural hazards to people, property and infrastructure by providing direction on: identifying natural hazards, and assessing and responding to the risks they pose in a consistent way.