

Resource Management Act replacement explainer

The Government's recently released plan for legislation to replace the Resource Management Act (RMA) involves two new pieces of legislation, one focused on regulating the use, development, and enjoyment of land, and the second focused on the use, protection and enhancement of the natural environment. The Government aims to introduce legislation by the end of this year and pass it before the next election in 2026.

Proposed changes will have impacts on the role and functions of local government, both in terms of resource management but also across other functions such as infrastructure provision, bio management and place making.

Background

The Resource Management Act 1991 has been criticised for being overly complex, failing to adequately facilitate development, and not delivering better outcomes for our natural environment. There is widespread consensus that change is needed, although disagreement on what this future system should look like.

As part of its manifesto and coalition agreement commitments, the Government will design and implement a new resource management system predicated on the enjoyment of property rights that will be more permissive of development within defined environmental limits.

This replacement system is the third phase of the Government's resource management programme:

Phase 1	Phase 2	Phase 3
• Repeal the previous government's replacement legislation for the RMA	• New fast-track regime • Two amendment bills to make targeted, interim improvements to the RMA • Suite of national direction changes (this is delayed but elements are expected this year)	• Replacement of the RMA with new legislation that prioritises property rights and development within set environmental limits

RMA replacement details

In late March 2025, the Government released the Expert Advisory Group (EAG) report and the decisions it had taken in response on the shape of legislation to replace the Resource Management Act.

Key decisions were described by the Government as follows:

- **Two Acts:** A Planning Act focused on regulating the use, development and enjoyment of land, along with a Natural Environment Act focused on the use, protection and enhancement of the natural environment.
- **A narrowed approach to effects management:** The new system will be based on the economic concept of “externalities”. Effects that are borne solely by the party undertaking the activity will not be controlled by the new system (for example, interior building layouts or exterior aspects of buildings that have no impact on neighbouring properties, such as the size and configuration of apartments, the provision of balconies, and the configuration of outdoor open spaces for a private dwelling). Matters such as effects on trade competition will be excluded.
- **Property rights:** Both Acts will include starting presumptions that a land use is enabled, unless there is a significant enough impact on either the ability of others to use their own land or on the natural environment. This will reduce the scope of effects being regulated and enable more activities to take place as of right. There will be clear protection for lawfully established existing use rights, including the potential for the reasonable expansion of existing activities over time where the site is ‘zoned or owned’. There will be a requirement for regulatory justification reports if departing from approaches to regulation standardised at the national level. Compensation may happen for regulatory takings in some circumstances. There will be an expansion in the range of permitted activities.
- **Simplified national direction:** One set of national policy direction under each Act will simplify, streamline and direct local government plans and decision-making in the system. Direction under the Natural Environment Act will cover freshwater, indigenous biodiversity and coastal policy. Direction under the new Planning Act will cover urban development, infrastructure (including renewable energy) and natural hazards.
- **Environmental limits:** A clearer legislative basis for setting environmental limits for our natural environment will provide more certainty around where development can and should be enabled, whilst protecting the environment.
- **Greater use of standardisation:** Nationally set standards, including standardised land use zones, will provide significant system benefits and efficiencies. The new legislation will provide for greater standardisation, while still maintaining local decision making over the things that matter.
- **Spatial plans:** Each region will be required to have a spatial plan, focused on identifying sufficient future urban development areas, development areas that are being prioritised for public investment, and existing and planned infrastructure corridors and strategic sites.
- **Streamlining of council plans:** A combined plan will include a spatial planning chapter, an environment chapter and planning chapters (one per territorial authority district).
- **Strengthening environmental compliance monitoring and enforcement:** To safeguard the environment, a national compliance regulator with a regional presence will be established.

While the Government was in agreement with large amounts of the EAG report, it rejected or deferred a decision on a number of recommendations in key areas.¹

Key issues for councils

This is not an exhaustive list but sets out some of the key issues for councils in the proposed system.

Changing responsibilities for councils, new institutions and the prospect of local government reform

The EAG proposed, and the Government has agreed, that compliance and enforcement functions should largely be removed from councils and instead be placed with a “national compliance and enforcement regulator with a regional presence”². The EAG did not go as far as suggesting monitoring requirements should also be immediately placed with this new entity, though the Government is in favour of this approach.

There is significant uncertainty about what this new central regulator will look like, and there is the possibility that some functions may remain with local government, with the EAG report envisaging, for example, that some compliance functions could be rested with councils “if that was the most efficient and effective implementation approach”.³

While some new responsibilities (such as mandatory spatial planning) have been introduced, overall the reforms signal a reduction in workload and mandate for local government, particularly regional councils. The associated Cabinet paper recognised this and signalled that consideration of broader local government reform would be necessary. Further decisions by Cabinet on if and how these impacts should be managed are expected by July 2025.

The Government also announced that a new “planning tribunal” would be established, as per its directive to the EAG to provide for a “provide for rapid, low-cost resolution of disputes between neighbours and between property owners and councils, with a Planning Tribunal (or equivalent) providing an accountability mechanism”.⁴ While the EAG report went into some detail as to its likely role, and how it would complement the role of the Environment Court, further policy work is needed on these details.

What spatial plans will cover and how they fit in with other processes

As long signalled, and as proposed under the previous Government’s reforms, spatial planning will now be mandated across the country. Councils will lead their development, though the exact

¹ A useful table outlining how Cabinet decisions line up with the recommendations of the EAG is available in the MfE explainer linked to at the end of this document.

² Expert Advisory Group on Resource Management Reform, Blueprint for resource management reform: A better planning and resource management system 2025

³ Ibid.

⁴ Ibid.

arrangements for how this will work are not yet clear. Spatial plans are being introduced to help address a lack of coordination between central and local government, iwi, infrastructure providers and communities about where growth and infrastructure should be accommodated over the long term.

While a number of councils already engage in spatial planning, there is no guidance as to what they cover nor any statutory weight granted to them (aside from in Auckland), resulting in a wide variety of approaches that struggle to influence central and local decision making.

The EAG and the Government have signalled that spatial plans should be tightly focussed on enabling development within constraints, and will form part of the new combined regional plans. There is significant further work to do to nail down the specifics of what spatial plans will cover, and the Government will need to engage with local government as these details are worked out.

Aside from spatial planning already undertaken by councils, there are a range of initiatives that complement or overlap with spatial planning, such as urban growth partnerships, regional land transport plans, and the new regional deals framework. Careful consolidation and alignment will be needed to avoid introducing additional complexity to the system, and central government will need to take a constructive role in the preparation of spatial plans.

Regional spatial plans will also contribute to the development of a national spatial plan.

Local voice in new system

Standardisation, centralisation and a much more directive system are hallmarks of these reforms, with standardised zoning emblematic of the approach taken. This, combined with a focus on increased permissiveness, means there will be a significant reduction in the ability to shape environmental management or planning policy at the local level.

The Government does recognise the need for “safety valves” in the system to allow for more bespoke solutions when “genuinely novel” issues arise, though it is not yet clear exactly when and where these will be able to be employed.

Similarly, the move to limit what “effects” can be considered by the new system, based on the concept of externalities, will have implications for local decision making. Most people would agree that effects borne solely by the individual carrying out a given activity should generally not be subject to control. But determining whether externalities exist is not always clear cut, and reasonable people can disagree.

There is a risk that regulatory control may be lost over genuine issues that communities want to retain the ability to influence. A considered approach to the drafting of national direction will be critical to ensure that the definition of effects is not overly narrow.

Māori involvement in the new system

The Government rejected the EAG’s recommendation that the current Section 8 requirement in the Resource Management Act (for persons exercising powers and functions under the RMA to take into account the principles of the Treaty of Waitangi) be carried over into the new legislation, citing its coalition commitments around reviewing references to the principles of the Treaty in legislation. The

EAG had argued that additional decision-making principles could be added to provide greater clarity in the application of section 8.

Instead, the RM Reform Minister has said they want “descriptive clauses that make it clear for everyone including iwi, Māori, and hapū, what their role is in the system, what their legitimate expectations are, what their role in the system is”.⁵ Previously, the Government has also framed Māori input largely around the honouring of Treaty settlements. As we wrote in our submission on the second RMA amendment bill, this risks creating a “two-tier” system in which iwi who have not settled with the Crown yet have less ability to input into resource management decisions than those who have.

The Government has signalled that further work is needed to determine exactly how Māori interests will be addressed in the new legislation. These decisions will have implications for the relationship councils hold with iwi, and should be watched closely as decisions are made over coming months.

Regulatory takings

The EAG defined takings and their current use in New Zealand as follows:

*A taking can be broadly defined as an act by which a government assumes or assigns control over a property right held by a private party. Traditionally, government regulation in New Zealand has typically not been treated as a taking, as almost any regulation is likely to have at least some adverse impact on property rights. Government compensation for takings is normally required only in respect of physical takings, such as the acquisition of land.*⁶

The EAG report noted that environmental and land-use regulation has the potential to “unjustifiably constrain property rights”, and said there was a case for lowering the threshold as to what is considered to constitute a “taking”⁷. It suggested that, where a council was imposing stricter regulations than national standards prescribed, a question of whether a “taking” existed and should be compensated for would automatically be raised.

The Government has agreed to include “protection against regulatory takings”⁸ in its new legislation, but deferred decisions on the details of how this would work. This may constitute a significant additional cost for councils in the new system, depending on where thresholds are ultimately set.

⁵ New Zealand Herald, RMA reform: Tama Potaka unaware Treaty principles removed from Resource Management Act replacement

⁶ Expert Advisory Group on Resource Management Reform, Blueprint for resource management reform: A better planning and resource management system 2025

⁷ Ibid.

⁸ Hon Chris Bishop, Speech to NZ Planning Institute Conference

Next steps

While the broad strokes of the Government's new system have now largely been agreed, there is significant work to do before the new resource management system is stood up. The Government has indicated it will take a staged approach to this, with the immediate focus being the key elements needed for implementation of the new system to begin in 2027.

Legislation is expected to be introduced by the end of the year and passed before the election, meaning a deadline of sometime early next year for submitting on the bills.

New national direction will need to be developed or otherwise ported over from the previous system, with the Government committing to a "prioritised" set of national direction being in place when the new legislation is passed.

The Government will also need to establish the new planning tribunal and national compliance regulator, which it has signalled will happen on a longer timeframe. A slower track for the removal of some matters that are to be dealt with by other legislation (such as heritage) and how allocation of resources within environmental limits will work is also likely.

We expect more guidance to be issued on how the transition will take place as legislation is developed and passed.

What LGNZ will be doing

LGNZ has and will continue to engage extensively with the Government to ensure the reforms deliver on its goals, are workable for local government, and deliver on the expectations of communities.

Here's just some of what we have done and will do as the reform process continues:

- Helped establish the LG Reference Group, which has been meeting monthly with the Ministry for the Environment to provide a local government perspective on reforms.
- Met regularly with both RM Reform Minister Chris Bishop and Undersecretary Simon Court.
- Submitted on legislative changes
- Scheduled an upcoming Ako Hour webinar for members
- Engaged with the Ministry for the Environment
- Commissioned legal advice as needed

Further reading

[Blueprint for Resource Management Reform \(Expert Advisory Group report\)](#)

[MfE RM reform factsheet \(includes detail on how Cabinet decisions differ from EAG recommendations\)](#)

[Chris Bishop's](#) and [Simon Court's](#) speeches to the NZ Planning Institute Conference

[Cabinet paper and minute outlining Cabinet decisions on the design of the replacement system](#)

[MfE Regulatory Impact Statement on replacing the RMA \(in-depth look by officials at issues with resource management and the options for reform\)](#)