

Office of the Minister Responsible for RMA Reform

Office of the Minister of Housing

Cabinet

Changes to the legislative requirements for Auckland Council's Plan Change 120

Proposal

- 1 This paper seeks agreement to amend the Resource Management Act 1991 (RMA) to:
 - 1.1 reduce the amount of housing capacity that Auckland Council needs to enable as part of its Plan Change 120 (PC120) from at least the equivalent of its previous Plan Change 78 (PC78) (just over 2 million dwellings) to at least 1.6 million dwellings
 - 1.2 address a transitional issue that arose when Auckland Council removed the Medium Density Residential Standards (MDRS).

Relation to government priorities

- 2 The decisions sought in this paper will support the Government to achieve its overall priorities in delivering better housing. It relates to a commitment in the coalition agreement between the National and ACT parties to implement the Going for Housing Growth plan while making the MDRS optional for councils.

Executive Summary

- 3 The Government wants to ensure Auckland can continue to grow to meet the needs of an increasing population. As New Zealand's largest city, it is the engine room of the economy, and it must have the housing and infrastructure needed to support that growth.
- 4 Aucklanders have been clear. They want the city to grow, and they generally support density in the right places: around the city centre, town centres and rapid transit. However, some have expressed concerns that higher-density development may be proposed in places they feel less suitable, such as predominantly single-house suburbs, and when infrastructure is likely to support that growth.
- 5 Auckland Council is progressing PC120, which enables greater heights and densities across much of its urban area, and implements the National Policy Statement on Urban Development 2020 (NPS-UD). PC120 replaces the earlier Plan Change 78 (PC78), which was withdrawn following August 2025 legislation that enabled Auckland Council to move away from the uniform MDRS approach and instead adopt more tailored, locally appropriate

intensification settings and better manage natural hazards while maintaining at least the same housing capacity of just over 2 million homes.

- 6 PC120 was publicly notified in November 2025 and has attracted over 10,000 submissions. A panel has been established to consider submissions and evidence before making recommendations to Auckland Council, which will then decide on them. The plan change must be completed by June 2027. It has become clear under the current legislative settings, the panel and Auckland Council have limited flexibility to address concerns raised through the PC120 process. This is because the Council cannot reduce intensification in areas that are not well suited or equipped for growth without increasing capacity in other areas.
- 7 To address this, I am proposing a legislative amendment to reduce the required housing capacity to at least 1.6 million homes. For procedural and natural justice reasons, the legislation will express this change as a 23% reduction from the approximately 2 million homes enabled under PC78. Although the legislation will refer to a percentage reduction, the practical requirement for Auckland Council will be clear: it only needs to enable at least 1.6 million homes.
- 8 Auckland Council will still be required to comply with the NPS-UD, and enable greater development around the key stations that benefit from investment in the CRL. It will also be able to withdraw parts of PC120 where appropriate, including neighbourhoods where it makes sense to retain the current zoning in the Auckland Unitary Plan. It will still be able to better respond to risks from natural hazards.
- 9 This change will provide Auckland Council with significantly greater flexibility to respond to issues raised by Aucklanders, while still ensuring there is housing capacity in the right locations. It needs to be passed quickly, given PC120 is already underway. Auckland Council, the panel and Aucklanders need clarity as soon as possible.
- 10 In addition, as the economic centre of New Zealand, it is very important that plan provisions that impact Auckland's city centre are not holding us back from economic growth and employment. Therefore, I intend to start an investigation into plan provisions that impact economic growth, development capacity and employment in the Auckland city centre, with a view to making regulations under s360I of the RMA if statutory criteria are met. I intend that any additional housing capacity provided through this process would count towards the requirement to enable at least 1.6 million homes.
- 11 I am also proposing to address an issue arising from removing the MDRS. When PC78 was withdrawn by Auckland Council in October 2025, the MDRS were removed from approximately 21,000 sites. This created practical and legal uncertainty for approximately 400 developers or landowners who were engaged in a resource or building consent process and relying on the MDRS. This proposed change will provide those developers or landowners with the clarity and confidence they need to proceed with their project.

Background

Auckland Council is required to enable greater housing capacity, and is progressing a change (PC120) to the Unitary Plan to do so

- 12 The NPS-UD came into force in 2020. Auckland Council is the only council that has not yet changed its plan to fully implement it.
- 13 In 2022, Auckland Council notified PC78 to the Auckland Unitary Plan (AUP) to give effect to the NPS-UD. It sought to enable greater development, including in the city centre, walkable catchments, rapid transit areas, and additional development in and around metropolitan centres. It also incorporated the MDRS, which was introduced in 2021. Auckland Council made decisions on the city centre and metropolitan centre components in 2025.
- 14 The Government passed the Resource Management (Consenting and Other System Changes) Amendment Act 2025 to enable Auckland Council to withdraw the remaining parts of PC78, remove the MDRS and replace PC78 with a new plan change (PC120) that must:
 - 14.1 provide at least the same amount of housing capacity as PC78,
 - 14.2 support greater development around key rail stations benefitting from CRL investment, and
 - 14.3 give effect to the NPD-UD intensification requirements.
- 15 The requirement to maintain equivalent housing capacity means PC120 must provide for at least 2,073,946 potential dwellings, in addition to existing homes. This equates to around 900,000 additional dwellings beyond the 1.2 million already enabled under the AUP.¹
- 16 The requirement was introduced to ensure Auckland Council could continue to accommodate future population growth and support intensification in areas with the greatest economic and social benefits, including along key transport corridors. In practice, only a portion of the enabled capacity is expected to be built, as feasibility, site constraints, and landowner decisions limit the realisation of theoretical capacity.
- 17 In October 2025, Auckland Council withdrew the remaining parts of PC78 (other than the provisions relating to the city centre and metropolitan centres). The Council notified PC120 in November 2025. PC120 meets the legislative requirement to enable at least as much capacity as PC78. It also introduces

¹ The 1.2 million estimate was recently calculated by Auckland Council using the same methodology applied in 2025 to estimate capacity under PC78 and PC120. This makes it directly comparable with the current capacity requirement of 2,073,946 dwellings. The AUP has previously been reported as containing capacity for approximately 1.4 million dwellings. This number was based on 2023 modelling, which used a different methodology so is not directly comparable with the current capacity requirement. Both the 1.2 million and 2.07 million estimates exclude capacity in the city centre.

new provisions to reduce natural hazard risks and focuses more housing capacity in well-connected areas close to jobs and public transport.

- 18 My direction to Auckland Council and the panel for PC120 also requires them to consider the appropriate distribution of housing capacity, including the potential to enable additional greenfield development where appropriate.

Analysis

PC120 has generated a high level of interest from Aucklanders

- 19 With more than 10,000 Aucklanders submitting on PC120, a wide range of views have been raised. These include concerns about the location of higher-density development and its potential effects on neighbourhoods. This feedback indicates that both the hearings panel and Auckland Council need additional flexibility to work through the issues raised.
- 20 However, the version of the plan notified by Auckland Council provides slightly less capacity than required by the equivalency test. This leaves the panel and Council with limited ability to reduce density in areas where it may not be appropriate and limits their ability to respond meaningfully to submitters, without increasing capacity in other areas.

I propose to change the legislative requirement, to give Auckland Council greater flexibility

- 21 Without losing sight of the Government's priorities for Auckland, it is therefore appropriate to make pragmatic and sensible changes to the housing capacity requirement for PC120 to provide more flexibility to Auckland Council.
- 22 I propose requiring Auckland Council to provide capacity for **at least 1.6 million homes**. This will still increase capacity relative to the current AUP and will better support competition in land and development markets. Auckland Council will continue to be required to give effect to the NPS-UD and to maximise the benefits of CRL investment by enabling intensification around key stations.
- 23 Because the PC120 is already progressed, altering the development capacity requirement could affect the basis on which submissions were made and raise natural justice and procedural fairness risks. Therefore, I am proposing to express the requirement as a percentage in the legislation – *to provide for a minimum capacity of 23% less than Plan Change 78 (as notified), representing approximately 1.6 million homes*. It preserves the existing legislative structure by ensuring the capacity requirement still refers to PC78, so submissions remain relevant and can continue to be considered.
- 24 This approach also provides clarity for Aucklanders and for Auckland Council by confirming that PC120 will be required to enable at least 1.6 million homes. Expressing the requirement as a percentage is simply a technical mechanism to manage natural justice and procedural risks, while the publicly understood outcome remains unchanged. The requirement will apply retrospectively so

the panel and Council can incorporate it into their consideration of PC120 without revisiting earlier steps.²

- 25 As the economic centre of New Zealand, Auckland's city centre must be able to grow. While PC78 increased capacity in the city centre, there remains significant unrealised potential. Several existing provisions, such as setback requirements, tower dimension controls and height limits, constrain development and should be revisited. Enabling growth in the city centre will support productivity and increase the benefits of rapid transit into the city centre.
- 26 Therefore, I intend to start an investigation into plan provisions that impact economic growth, development capacity and employment in the Auckland city centre, with a view to making regulations under s360I of the RMA if statutory criteria are met. I intend that any additional housing capacity enabled in the city centre counts toward the requirement to provide at least 1.6 million dwellings.
- 27 Together, these changes provide Auckland Council with greater flexibility regarding both the overall amount and the spatial distribution of capacity. The Council and the panel will be better able to respond to submissions without needing to offset localised reductions in capacity with increases elsewhere.

We will need to progress this legislative change at pace

- 28 This amendment needs to be passed quickly, given PC120 is already underway. Auckland Council, the panel and Aucklanders need clarity as soon as possible.

Implementation

These legislative changes will result in changes to the process for Auckland Council

- 29 PC120 must be completed by June 2027 and is already well progressed. Submissions have closed and an independent panel has been appointed. The remaining steps are:
- 29.1 the panel considering and hearing submissions
 - 29.2 the panel making recommendations to Auckland Council, and
 - 29.3 Auckland Council making decisions on those recommendations.

- 30 s 9(2)(h) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

s 9(2)(h)

- 31 Ordinarily, a council could amend a plan change while it is underway through a variation under the RMA or by withdrawing parts of it. In this case, however, it is important that the PC120 process is not delayed.
- 32 Therefore, for most of PC120, I propose that Auckland Council should not be able to initiate a variation, as this could significantly extend the timeframes for PC120. Instead, the hearings panel should be able to use the increased flexibility in the revised capacity requirement to respond to matters raised in submissions and evidence when forming its recommendations.
- 33 In response to the changed housing capacity requirement, I propose that the process proceed in three stages (also shown in Annex A):
 - 33.1 **Pre-hearings stage:** Auckland Council would determine which elements of PC120 to withdraw or alter. Any withdrawn provisions would be immediately excluded from the remainder of the process. Council would then prepare a report to the panel explaining what was withdrawn and why, and setting out its preferred approach for the remaining provisions in light of the revised housing capacity requirement (for example, identifying neighbourhoods where density should be reduced or retained). Council may produce high level maps at this stage to accompany this report. Council may seek public input to inform this stage.
 - 33.2 **Hearings stage:** The panel would formally consider submissions and evidence. This stage would be informed initially by the Council's report, followed by Council's preferred provisions and maps, which must be provided as required for each hearing. The legislation would ensure that submitters have the opportunity to update their submissions and evidence, and new participants would be able to join the process.
 - 33.3 **Post-hearings stage:** The panel would make recommendations to Auckland Council based on the submissions and evidence received, and Council would then make its final decisions. Central government would not be involved.
- 34 I seek delegated authority to make detailed decisions that give effect to these high-level process steps to include in the draft legislation where needed. I will discuss the detail of what needs to be included in the legislation to give effect to this intention with Auckland Council, to ensure that we:
 - 34.1 provide sufficient flexibility to Auckland Council
 - 34.2 minimise additional process steps or extensions to the timeframe for PC120, and
 - 34.3 provide for public input, and minimise risks and any procedural and fairness issues for submitters, while

- 34.4 ensuring the plan change meets our objectives (as stated in the legislation and the NPS-UD).
- 35 Some of the details may be better reflected in the Ministerial direction for PC120 (which is secondary legislation), in which case the Minister of Conservation and I can work through the process to amend that if necessary.

Transitional issue

I also propose to use this legislation to address a transitional issue arising from the withdrawal of Auckland Council's PC78

- 36 When PC78 was withdrawn by Auckland Council on 9 October 2025, the MDRS was removed from approximately 21,000 sites. This created practical and legal uncertainty for approximately 400 developers or landowners who were engaged in a resource or building consent process and relying on the MDRS prior to the withdrawal of PC78.
- 37 My officials have been working constructively with Auckland Council to deliver a solution for affected developers and landowners, with the intention that any interim solution will be supported by future changes to the AUP. In December 2025, I wrote to Auckland Council informing it that I would investigate amending the AUP using the Ministerial regulation-making power under section 360I regulations. This letter enabled Auckland Council to exercise its discretion to permit these activities as being temporarily non-compliant with the AUP. Auckland Council is currently issuing notices to permit these projects on the basis that future changes to the AUP will be directed by central government.
- 38 While I had anticipated using the regulation-making power to amend the AUP, I now consider that a legislative amendment will deliver a quicker and more certain outcome for affected developers and landowners. The legislation will amend the AUP to permit building projects relying on the MDRS activity rules, only where a resource or building consent process was started prior to the withdrawal of PC78.

Cost-of-living Implications

- 39 Auckland's PC120 will reduce housing costs for Aucklanders by supporting greater competition in land and development markets and providing opportunities for people to live in well-connected, vibrant areas. While the change to the housing capacity requirement may moderate the scale of expected housing cost reductions, PC120 is still likely to contribute to improved affordability over time.

Financial Implications

- 40 There are no financial implications for the Government from the proposals in this paper.

Legislative Implications

- 41 A new bill amending the RMA is required to deliver this proposal. I seek Cabinet's agreement to add the bill to the Legislation Programme with a category 3 (to be passed before the 2026 General Election). In order to minimise extensions to the timeframe for PC120, I intend that the bill be passed as soon as possible.

Impact Analysis

Regulatory Impact Statement

- 42 The Ministry for Regulation has determined that the transitional MDRS proposal is exempt from the requirement to provide a Regulatory Impact Statement (RIS) on the grounds that it has no or only minor economic, social or environmental impacts.
- 43 In relation to the requirements for PC120, a RIS is attached as Annex B. A combined Regulatory Impact Analysis panel of Ministry of Housing and Urban Development, Ministry for the Environment and Ministry for Regulation officials have reviewed the Addendum RIS: Changes to Auckland housing capacity requirements and confirmed that it partially meets the requirements. Significant time constraints impacted the extent to which detailed analysis could occur. As a result, there was a lack of quantitative analysis, and insufficient engagement occurred. Despite this, the RIS uses qualitative analysis and overall is clear, concise and compelling.

Climate Implications of Policy Assessment

- 44 The Climate Implications of Policy Assessment requirements do not apply to this policy proposal, as the emissions impact is indirect.

Population Implications

- 45 Auckland's PC120 will reduce housing costs and support well-functioning urban environments for all Aucklanders, including groups that currently face disproportionately poor housing outcomes, such as Māori, Pacific people, children and young people and older people. While the change to the housing capacity requirement may moderate the scale of expected housing cost reductions, PC120 is still likely to contribute to improved affordability over time.

Human Rights

- 46 The proposal is not inconsistent with the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

Use of External Resources

- 47 External resources have not been used to materially contribute to this policy proposal. The Ministry for the Environment has obtained some external resource to support the analysis, given the urgency of the advice.

Consultation

- 48 The following departments were consulted: Parliamentary Counsel Office, The Treasury, New Zealand Infrastructure Commission, the Ministry of Business, Innovation and Employment, the Department of Internal Affairs, the Ministry of Transport, Te Puni Kōkiri, and the Department of Conservation. The Department of Prime Minister and Cabinet was informed.
- 49 I will engage with Auckland Council on process and procedural steps to be included in the legislation for PC120 and changes to the AUP to address the transitional issue associated with removal of the MDRS.
- 50 Submissions on PC120 closed on 19 December 2025 and have not yet been fully analysed or summarised, and panel hearings are yet to commence. The legislative change proposed will give Auckland Council greater flexibility to respond to submission points.

Communications

- 51 I intend to announce the Cabinet decision to progress this legislative change on 19 February 2026.

Proactive Release

- 52 I intend to delay proactive release of this Cabinet paper until after the bill is introduced to the House.

Recommendations

The Minister Responsible for RMA Reform and Minister of Housing recommends that Cabinet:

- 1 **note** Auckland Council is progressing Plan Change 120 to implement the National Policy Statement on Urban Development and to maximise the Government's investment in the City Rail Link.
- 2 **note** that under current legislative settings, Auckland Council does not have sufficient flexibility to respond to submissions or evidence by reducing the housing capacity proposed in Plan Change 120 in areas that are not well suited or equipped for growth, without increasing capacity in other areas.
- 3 **agree** to amend the Resource Management Act 1991 to:
 - 3.1 require Auckland Council to provide for a minimum capacity of 23% less than Plan Change 78 (as notified), representing approximately 1.6 million homes
 - 3.2 apply the requirement in recommendation 3.1 retrospectively

- 3.3 prevent Auckland Council from progressing a variation to give effect to recommendation 3.1.
- 3.4 set out key steps in the process which Auckland Council and the hearings panel for Plan Change 120 must follow in response to the changed capacity requirement, to ensure there are opportunities for public input in light of the changed housing capacity requirement.
- 4 **agree** to ensure that any additional housing capacity enabled in Auckland's city centre contributes towards the housing capacity target in recommendation 3.1.
- 5 **note** that these changes will provide Auckland Council with greater flexibility in the amount of housing capacity it provides, and where it is provided.
- 6 **note** that Auckland Council would still be required to comply with the National Policy Statement on Urban Development and enable intensification around key rail stations benefitting from investment in the City Rail Link.
- 7 **authorise** the Minister Responsible for RMA Reform and Minister of Housing to make further and more detailed decisions to give effect to the policy proposals in this paper so long as those decisions are consistent with Cabinet's decisions.
- 8 **note** that the Minister for the Environment (subsequently delegated to the Minister Responsible for RMA Reform) has powers to recommend regulations are made under s360I of the Resource Management Act 1991 to modify or remove provisions in a plan if an investigation determines they negatively impact economic growth, development capacity or employment and statutory criteria are met.
- 9 **note** that I will initiate an investigation into plan provisions that impact economic growth, development capacity and employment in the Auckland city centre and will report back to Cabinet with the outcome of the investigation.
- 10 **note** withdrawal of Auckland Council's Plan Change 78 created a transitional issue for approximately 400 property owners relying on the Medium Density Residential Standards in Plan Change 78 to complete their building projects.
- 11 **agree** the legislation will amend the Auckland Unitary Plan to fix this transitional issue by permitting building projects relying on the Medium Density Residential Standards activity rules where a resource or building consent process was started prior to the withdrawal of Plan Change 78.
- 12 **authorise** the Minister Responsible for RMA Reform to make further detailed decisions, consistent with Cabinet approvals, on the transitional issue associated with the withdrawal of the Medium Density Residential Standards, including on any consequential amendments required to the Auckland Unitary Plan.

- 13 **agree** to add a new bill to the Legislation Programme with a category 3 priority rating (to be passed before the 2026 General Election) to progress the proposals in this paper.
- 14 **direct** officials to explore options to enable better management of carparking as part of the policy development of National Policy Direction, National Standards and Standardised Planning Provisions in the new planning system.
- 15 **authorise** the Minister Responsible for RMA Reform and Minister of Housing to make minor and technical decisions on matters that arise during drafting.
- 16 **authorise** officials to issue drafting instructions to Parliamentary Counsel Office to give effect to the policy approvals in this paper.

Authorised for lodgement

Hon Chris Bishop

Minister Responsible for RMA Reform

Minister of Housing



Cabinet

Minute of Decision

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

Changes to the Legislative Requirements for Auckland Council's Plan Change 120

Portfolios **Housing / RMA Reform**

On 16 February 2026, Cabinet:

Background

- 1 **noted** that Auckland Council is progressing Plan Change 120 to implement the National Policy Statement on Urban Development and to maximise the Government's investment in the City Rail Link;
- 2 **noted** that under current legislative settings, Auckland Council does not have sufficient flexibility to respond to submissions or evidence by reducing the housing capacity proposed in Plan Change 120 in areas that are not well suited or equipped for growth, without increasing capacity in other areas;

Proposed amendments

- 3 **agreed** to amend the Resource Management Act 1991 to:
 - 3.1 require Auckland Council to provide for a minimum capacity of 23 percent less than Plan Change 78 (as notified), representing approximately 1.6 million homes;
 - 3.2 apply the requirement in paragraph 3.1 above retrospectively;
 - 3.3 prevent Auckland Council from progressing a variation to give effect to paragraph 3.1 above;
 - 3.4 set out key steps in the process which Auckland Council and the hearings panel for Plan Change 120 must follow in response to the changed capacity requirement, to ensure there are opportunities for public input in light of the changed housing capacity requirement;
- 4 **agreed** to ensure that any additional housing capacity enabled in Auckland's city centre contributes towards the housing capacity target referred to in paragraph 3.1 above;
- 5 **noted** that the above changes will provide Auckland Council with greater flexibility in the amount of housing capacity it provides, and where it is provided;
- 6 **noted** that Auckland Council would still be required to comply with the National Policy Statement on Urban Development and enable intensification around key rail stations benefitting from investment in the City Rail Link;

- 7 **authorised** the Minister Responsible for RMA Reform and Minister of Housing (the Minister) to make further and more detailed decisions to give effect to the policy proposals in the paper under CAB-26-SUB-0037 so long as those decisions are consistent with Cabinet's decisions;
- 8 **noted** that the Minister for the Environment (subsequently delegated to the Minister Responsible for RMA Reform) has powers to recommend that regulations be made under section 360I of the Resource Management Act 1991 to modify or remove provisions in a plan if an investigation determines they negatively impact economic growth, development capacity or employment, and the statutory criteria are met;
- 9 **noted** that the Minister will initiate an investigation into plan provisions that impact economic growth, development capacity and employment in the Auckland city centre, and will report back to Cabinet with the outcome of that investigation;

Transitional issue

- 10 **noted** that the withdrawal of Auckland Council's Plan Change 78 created a transitional issue for approximately 400 property owners relying on the Medium Density Residential Standards in Plan Change 78 to complete their building projects;
- 11 **agreed** that the legislation will amend the Auckland Unitary Plan to fix this transitional issue by permitting building projects relying on the Medium Density Residential Standards activity rules where a resource or building consent process was started prior to the withdrawal of Plan Change 78;
- 12 **authorised** the Minister Responsible for RMA Reform to make further detailed decisions, consistent with Cabinet approvals, on the transitional issue associated with the withdrawal of the Medium Density Residential Standards, including on any consequential amendments required to the Auckland Unitary Plan;

Legislative implications

- 13 **agreed** to add a new bill to the 2026 Legislation Programme with a category 3 priority (a priority to be passed before the 2026 General Election) to progress the above decisions;
- 14 **directed** officials to explore options to enable the provision and management of carparking as part of the policy development of National Policy Direction, National Standards and Standardised Planning Provisions in the new planning system;
- 15 **noted** that the Minister will request a summary of the provisional zoning changes reflecting the housing capacity target in paragraph 3.1 above for Cabinet to consider before taking final decisions on legislation;
- 16 **authorised** the Minister to make minor and technical decisions on matters that arise during drafting;
- 17 **invited** the Minister to issue drafting instructions to the Parliamentary Counsel Office to give effect to the above decisions.

Diana Hawker
for Secretary of the Cabinet