// SUBMISSION

Natural Environment Bill
Planning Bill

// Local Government New Zealand's submission

// Draft for members: 4 February 2026

About LGNZ

LGNZ champions, connects and supports local government. We represent the national interests of councils.

Executive summary

LGNZ supports reform of the resource management system that delivers development and environmental protection more efficiently for New Zealand. Councils are the most important player in resource management: not only do they fulfil crucial roles on the front line of planning and environmental management, but they are also custodians of a quarter of the nation's infrastructure and must navigate any system themselves.

Our members are hopeful that these bills mean the beginning of the end for substantive reform of the resource management system, following almost a decade of churn across successive governments. Councils want to focus on the transition to a new system and the important roles they play in planning and environmental stewardship.

Our submission is designed with this feedback in mind. The Government's proposal is not perfect, and the speed at which the new system has been designed invariably means flaws will need to be ironed out over time. But LGNZ acknowledges the political realities that mean moving quickly gives reform the best chance of bedding in. In turn, there is a need for the Government to work constructively with councils during the implementation of the system, be receptive to feedback about problems that arise, and work quickly to resolve them.

However, what will already be an already-difficult transition is being made even harder through other concurrent reforms. These include potential changes to local government structure, funding and financing changes, amendments to the existing Resource Management Act, continued implementation of Local Water Done Well, and the move towards a rates capping regime. Particularly for smaller councils, this is a huge workload and one they'll be asked to do with less resourcing given the enormous pressure to keep rates down (and eventually within the target band set by the Government).

A simple way to mitigate these pressures would be to reconsider rates capping, which as we explain in our separate submission will weaken councils' ability to provide the infrastructure and services communities expect while failing to address the real cost drivers behind rates increases.

Our key points

- This resource management system must endure. New Zealand needs bipartisan commitment to ensure future change happens within the system, not to the system, to avoid ratepayers funding planning and implementation that is repealed by the next government.
- The regulatory relief proposals are uncosted and unworkable in their current form, and could have serious unintended consequences. Implementation of these proposals should be paused until there is a better idea of costs and how they might work in practice.

- While councils should realise cost savings in the long term, they face considerable transitional costs. Without financial support from the Government, transitional costs will fall on ratepayers and the transition may not be smooth.
- Outlining a clear plan for the transition to the new system is welcome, but some timeframes are too tight and will result in low-quality plans – modest extensions would pay off in the long term.
- It is crucial the Government gets the setting of national direction and standards right. Great care will be needed to avoid ambiguity cascading down the system into plans.
- The legislation as it stands does not provide for adequate Iwi/Māori participation in the system. A few key improvements will help ensure an efficient system that recognises Māori interests.
- Mandatory spatial planning is long overdue, but having Māori and central government involved will be crucial.
- Councils need to be able to fulfil a placemaking function to ensure high-quality housing and urban environments, but the legislation as it stands has an overly narrow scope and fails to allow for when the private and public realms overlap.
- Greater standardisation and moving the focus of the system away from individual consents is a positive step – but a simple process is needed for when councils need to include bespoke provisions in plans.
- Rates capping and other funding and financing pressures will exacerbate implementation pressures, and could also undermine the benefits of a more-permissive planning system by making it harder to deliver growth infrastructure.
- Structural changes at both central and local government could slow the implementation of the new system, if not managed well.

We are working closely with organisations such as Taituarā, Te Uru Kahika, and the Planning Institute. While there is some overlap in our submissions, LGNZ generally aims to provide a higher-level, systems point of view in our submission, while their submissions take more of an operational and technical perspective. We encourage the Environment Committee and the Government to look closely at their submissions, as well as those of individual councils.

Part 1: Why and how resource management needs to change

The Resource Management Act has failed and it needs to be replaced

The Resource Management Act 1993 (the RMA) has failed to deliver on its goals. It has contributed to capture of resource management by narrow interests at the expense of bigger picture goals like more and better housing, a healthy and resilient natural environment, and modern, high-quality infrastructure.

Of course, this is not what those responsible for the RMA intended. Then-Minister for the Environment the Hon. Simon Upton said during the RMA's third reading:

> *"The current [pre-RMA] law allows---indeed, encourages---almost limitless intervention for a host of environmental and socio-economic reasons. That has resulted in a plethora of rules and other ad hoc interventions that are intended to achieve multiple and often conflicting objectives. In many instances they achieve few clear objectives, but they impose enormous costs on developments of any kind."*[1]

These words are strikingly similar to those used by the current Government to describe their new legislation.

Mr Upton also referred to the importance of property rights and the improvements the RMA would make – which is echoed in the current Government's approach.

Councils have often been a scapegoat for the Resource Management Act's flaws

Councils play key roles in New Zealand's resource management system.

Territorial authorities are tasked with the following:

- the effects of land use
- the effects of activities on the surface of rivers and lakes
- noise
- subdivision

[1] https://drive.google.com/file/d/0B1Iwfzv-Mt3CdnZCM19tZFhwUUk/view?resourcekey=0-K4ENaBJCsuAXKORwCUUljA

- ensuring sufficient development capacity for residential and business land to meet expected long-term demands of the district or city.[2]

Regional councils have the following responsibilities:

- discharges of contaminants to land, air or water
- water quality and quantity
- the coastal marine area
- soil conservation
- land use to avoid natural hazards
- investigating land to identify and monitor contaminated land
- ensuring sufficient development capacity for residential and business land to meet expected long-term demands of the region
- preparing regional policy statements.[3]

Councils also must navigate the resource management system themselves, as they construct and maintain the roughly 25% of the country's infrastructure that they are responsible for.

There is a widespread perception that councils have failed to deliver on many of their responsibilities or have placed undue emphasis on some at the expense of others. For example, prioritising the negative effects of new housing on existing property owners in a given area over the need to ensure a sufficient supply of good quality housing.

LGNZ agrees that councils have not always adequately discharged their responsibilities under the RMA. But these failings have often been a consequence of the RMA's design and implementation, as well as wider policy settings that influence planning.

The RMA has lacked sufficient national direction on key issues for much of its life. As a result, individual councils have had to interpret the legislation without much of the guidance envisaged by its drafters. This has led to a lack of consistency and a "patchwork" of regulation across council boundaries, adding needless complexity for organisations and individuals who need to engage with the planning system. It has also made it more difficult for best practice to be implemented across the system.

The structure of local government, and how it is funded, has also posed challenges for the implementation and administration of the RMA. With cost recovery avenues in the RMA often being insufficient, smaller councils and those with low rating bases have often not been resourced to undertake the wide range of statutory responsibilities they have. These councils have also had issues attracting and retaining staff with the relevant expertise and experience in planning and environmental management.

[2] Ministry for the Environment, Central and local government responsibilities under the RMA, 2025
[3] Ibid.

Finally, the RMA allows for considerable public consultation at all levels of the system: from plan making to the issuing of individual consents, which councils largely responsible for. Where councils have discretion, their close proximity to constituents results in considerable pressure to err on the side of caution when considering how much consultation to undertake. More consultation takes more time, more resourcing, and can foster unrealistic expectations by communities for outcomes, such as the declining of a consent on grounds outside of the scope of the RMA.

Both the previous and current government's resource management reforms have generally viewed greater centralisation, amalgamation and standardisation as the solution to these issues. LGNZ supports this where it makes sense; for example, a comprehensive and simple range of national direction, or councils working together to plan or deliver services where communities are supportive and meaningful efficiencies can be found.

However, removing local discretion and decision making is not a panacea for all the RMA's flaws. Planning and environmental management have an inherently local dimension, and an effective system must get the right balance between consistency and flexibility.

We encourage the Government to keep an open mind as further work is undertaken on changes to institutional settings with relevance to resource management, which will be discussed in more depth later in this submission.

Communities are used to extensive consultation on plans and consents: the new approach will be an adjustment

As mentioned above, councils spend considerable amounts of time facilitating consultation with communities as they adjudicate the use of land and natural resources. The Government's proposed RM system intends for matters to be addressed earlier and at a higher level – primarily at the national instrument level, and regional spatial planning stage, so that consultation at the consenting level is significantly reduced. For some communities, this will be a significant change. They are used to engaging on a local level with consents or plans, but not on a regional/national level which will deliver the key outcomes in future. This means that communities are likely to only fully understand what the new system and plans enable at the point at which an activity is carried out.

We discuss the implications for local voice further later in the submission.

New funding and financing tools can complement RM reform, but rates capping will undermine its goals

Looking at the goals of the Government's resource management reform programme, it's clear that other reforms will be crucial to achieving them.

Getting the current reform of funding and financing tools right is essential for the new resource management system. The planning system can reduce obstacles to getting housing and infrastructure built, but it cannot itself do the building. That requires adequately resourced councils, particularly in the context of requirements to zone significantly more land for housing development as part of the Government's Going for Housing Growth programme.

We see a real risk with the proposed that housing and infrastructure could be stymied by insufficient funding and financing options, and by growth still not sufficiently paying for growth.

While some may criticise the current approach councils generally take towards funding and financing infrastructure (either through rates or borrowing with fewer more "innovative" tools used), this is a proven and relatively low-cost model, thanks to the Local Government Funding Agency's ability to borrow at low rates on behalf of councils.

Rates capping will make it more difficult for councils to both fund infrastructure directly through rates and borrow for big projects, due to a reduced ability to service debt. It could also make borrowing more expensive given the signalled impact on their credit ratings.

This in turn will put pressure on new and reformed funding and financing options, such as development contributions and the expanded IFF. LGNZ supports both these initiatives but is also clear-eyed about previously failures of the IFF and development levies to meaningfully contribute to reducing the infrastructure deficit. Banking so heavily on their successors while compromising the proven method for councils to fund infrastructure and development capacity is a risky move that could undermine the Government's objectives for resource management reform.

According to the Government's own timeframes, development levies will not 'go live' in time to mitigate the effect of a rates cap nor be in time to help fund the costs of growth incurred through the RM reform changes. We encourage the Government to consider how that sequencing might affect achieving its goals.

Institutional reform risks dividing the attention of both central and local government

Big changes to some of the institutions involved in administering resource management are currently being proposed and progressed by the Government. While many of these are positive and may lead to long-term improvements in system performance, in the short term they risk taking up bandwidth otherwise dedicated to ensuring a smooth and prompt transition to the new system.

Changes to local government structure

In late 2025, the Government announced it would consult on reforming local government by offsetting up new Combined Territories Boards (CTBs) made up of Mayors from a region's territorial authorities, which would replace regional council governance and also lead regional reorganisation

plans to determine how councils in a given region could best work together to deliver on their responsibilities.

The Government also announced a rapid review of regional council functions prior to the establishment of new CTBs.

LGNZ supports change to local government structure. These announcements follow a call from councils at LGNZ's 2025 AGM for a review of the current functions and governance arrangements of local government. However, we are concerned about aspects of the Government's proposals, and in our submission make several recommendations for ways they could be strengthened; for example, phasing the disestablishment of regional council governance so that CTBs can focus on reorganisation plans. This would also minimise disruption during the transition to the new resource management legislation.

New 'mega ministry' is a promising idea but establishing it will be disruptive to RM reform

Shortly after the introduction of the new resource management legislation, the Government announced it would establish a new Ministry of Cities, Environment, Regions and Transport, bringing together the Ministry for the Environment, the Ministry of Housing and Urban Development, the Ministry of Transport, and local government functions from the Department of Internal Affairs.

LGNZ understands the Government's rationale for making these changes and supports greater alignment between these deeply interconnected policy areas. For local government, there will probably be administrative efficiencies in the long term, due to more coherent policymaking and greater clarity about who councils should be talking to at central government level. However, these changes will be disruptive in the short term. The Government will need to manage the risk that the transition draws attention away from the implementation of the new resource management system, as well as other important reforms currently underway.

We note the Government's intention to move quickly and have the new ministry set up by the middle of this year. We recommend that, to maintain momentum on reform and ensure an orderly transition to the new RM system (and other new regimes), the Government prioritise in the short-to-medium term maintaining institutional knowledge and continuity over realising cost savings through reductions in staff numbers. This would more than pay for itself over time, through realising the benefits of RM reform and other policy changes sooner.

We also recommend that the Government work closely with councils to maintain their vital relationships with departments and key individual staff within the ministries being merged.

Part 2: The Planning and Natural Environment bills

Regulatory relief

LGNZ has significant concerns about the proposal for a regulatory relief regime. While we understand the Government's focus on property rights, and agree that excessive regulation can jeopardise economic growth, we can see a raft of potential unintended consequences from a system which "will increase costs for local government to impose regulation".[4]

Regulatory relief represents an unfunded, and uncosted, mandate on councils, as acknowledged in the SAR, which states that: "[a] regulatory relief framework is likely to have substantial financial impacts for local government that may create tension with their broader financial management obligations".[5] There has been no analysis by the Government of how much this could cost councils, nor has there been any commitment to ensuring councils are in the right financial position to implement the new system effectively.

The system is intended to ensure councils better weigh the costs of regulating. However, it is more likely that vast swathes of the country, particularly areas covered by smaller councils with low rating bases, will not be able to afford to regulate matters within scope of the regime and will simply opt not to do so. This effect would be exacerbated by rates capping, which would further undermine councils' ability to pay compensation or fund the administration of a regulatory relief regime locally.

Further, the regime is intended to apply retrospectively, with any properties with overlays currently protected in RM plans to be eligible for regulatory relief if those overlays are transferred into the new plans. This requires councils to undertake significant work during the very short period (see transition section) provided for the transitional process. That work is not just evaluating the specified rules and their extents but preparing a relief framework. There is then significant additional work for councils to complete the lengthy and detailed relief process.

Given the lack of analysis of the likely costs of the new system, and of any detail regarding what specific methodology councils would need to apply, councils cannot form an informed view about the proposed regulatory relief system. Our concern here is the mandatory and unclear approach being required by this bill. Many councils voluntarily provide regulatory relief already, such as through discounts to resource consents, rates remissions, and grants.

We recommend that the Government pause the implementation of any regulatory relief regime until officials can undertake further work on the costs it could impose on local government. While

[4] Ministry for the Environment, Supplementary Analysis Report: Replacing the Resource Management Act 1991 - Further Policy Decisions, 46.
[5] Ibid, page 44.

this work could only provide an estimate, we believe that councils can work together with officials to allow for a far more informed decision than is currently possible.

Regulatory relief cuts across the goals of the system

As noted in the cultural effects section, the regulatory relief scheme cuts across obligations that local authorities will have under this system. Under the Planning Bill, all persons exercising or performing functions under the Acts (including local authorities) must seek to achieve the following goals:

> *to protect from inappropriate development the identified values and characteristics of –*
>
> > *(i) areas of high natural character within the coastal environment, wetlands, and lakes and rivers and their margins:*
> >
> > *(ii) outstanding natural features and landscapes:*
> >
> > *(iii) sites significant historic heritage* [sic]

Under the Natural Environment Bill, all persons must seek to achieve the following goal:

> *to achieve no net loss in indigenous biodiversity*

Under both Bills, all persons must seek to achieve the following goal:

> *to provide for Māori interests through -*
>
> > *(ii) the identification and protection of sites of significance to Māori (including wāhi tapu, water bodies, or sites in or on the coastal marine area);*

However, while local authorities must seek to achieve the above goals, they also **must** apply a regulatory relief framework to any of the following topics:

for the Natural Environment Bill:

- *a significant natural area*
- *a site of significance to Māori*
- *terrestrial indigenous biodiversity*

for the Planning Bill:

- *significant historic heritage sites or significant historic heritage structures:*
- *outstanding natural landscapes or outstanding natural features:*
- *sites of significance to Māori:*
- *areas of high natural character in the coastal environment, wetlands, lakes, rivers or their margins.*

Therefore, at the same time as local authorities are expected to protect and maintain these areas, they are also expected to provide financial support or otherwise to constituents who are impacted by these areas. This creates a significant tension for local authorities, which will need to be resolved at a national instrument level. But there is no provision for this to occur in the system and no

acceptance that regulatory relief should not apply where councils are forced by statute, national direction and delivering the Crown's te Tiriti responsibilities. LGNZ does not see how the identified problem of "regulatory overreach"[6] can apply in circumstances where it is directed by legislation or national direction to apply that approach. In relation to sites of significance to Māori, s8 of the PB and s 8 of the NEA state that the identification and protection of sites of significance to Māori are one of the methods to "recognise the Crown's responsibilities in relation to the Treaty of Waitangi/te Tiriti o Waitangi". Councils should not be forced by the Crown to compensate private landowners in order for the Crown to say that it has fulfilled its own responsibilities.

LGNZ has carefully considered the regulatory relief process and the problem identified as requiring legislative intervention to address. While the best option would be to pause the regulatory relief process until it is properly costed and a better plan for implementation is worked out, in the event it is retained, we suggest two options for improvement.

These are to amend Cl 64 of Part 4 of Schedule 3 to the PB is amended to either:

- Make it clear that **no** regulatory relief is required to be provided for or paid if the specified rule is required to:
    - implement a goal of the system and/or give effect to national policy direction / standards.
    - provide for sites of cultural significance;

    OR
- State that the Crown is responsible for paying that regulatory relief that reflects:
    - a statutory requirement imposed on councils by the Minister; and/or
    - for sites of cultural significance, the Crown's own te Tiriti responsibilities as set out in s 8 of the PB.

There are also other options, such as existing overlays that are carried over into new plans not being subject to regulatory relief or reversing the onus so land owners are responsible for raising a question of compensation, which are worth exploring if the Government does proceed with this policy.

Scope and goals of the system

National direction is essential to resolve any conflicts between goals

The Natural Environment Bill (**NEB**) and the Planning Bill (**PB**) have six and nine goals respectively. These sections do not set out a priority or order to the goals. Generally, we would not expect councils to directly consider the goals, as the Bills are clear at cl 12 (NEB) and cl 12 (PB) that decision makers are to consider the relevant provisions of the key instrument that "directly affects the

[6] SAR, page 42.

matter". The goals should already be implemented through the national policy direction, and other national instruments.

The national instruments are expected to:

- achieve compatibility between the goals, rather than achieving one goal over another;
- recognise that not all goals need to be achieved in all places at all times; and
- resolve any conflicts within the national instrument as far as practicable.

Overall, LGNZ supports the goals structure, but stresses the importance of national instruments comprehensively resolving any conflicts between the goals. National policy direction **must** be prepared to help resolve conflicts (and hence prioritise) among the goals at the national level. Presently s 54(3) of the PB (and s78(3) of the NEA) uses the word "may". That gives the Minister the choice. If the national direction fails to make hard decisions, as it has done under the RMA, the system will fail from the start. Further, it pushes the hard decisions (and costs) down to the regional and local levels. But, as explained later in this submission, the processes do not provide sufficient time for those hard decisions to be made. Put simply, the new system will fail, just like the RMA before it, if national direction does not resolve conflicts among the goals at the national level.

Councils need to retain the ability to undertake placemaking in the new system

LGNZ notes that these goals play an important role in narrowing the scope of the new system relative to the RMA, and agrees that the planning system should generally avoid regulating for matters where the effects are borne solely by a private landowner.

However, the PB does not reflect the importance of local government retaining a placemaking role in the planning system. This is particularly crucial in a time where the social licence for novel, more-intensive forms of housing is currently being established. We are concerned that stifling the ability of councils to help create high-quality urban environments could result in a backlash against building the greater and more-diverse range of housing that New Zealand needs.

It could also undermine efforts to ensure our communities are resilient and resistant to the risk of flooding and other natural disasters, which are becoming more prevalent due to climate change.

We recommend that the PB is amended so that matters like building layout are able to be considered where they interface with the public realm i.e. walls that back on to public property, or structures that may contribute to wind tunnels in urban environments. Building layout is also very relevant to reducing flood risk.

In particular, LGNZ requests that:

- s 11(c) of the PB be **amended** to provide for "quality design" or "liveable" urban environments as well as well-functioning ones. While the definition of "well-functioning urban environment" in the NPS-UD does not include these human elements, it is not an exclusive definition and they are regularly read in by decision-makers. It would be more efficient and transparent, as well as reflecting outcomes that communities constantly tell councils they want, to have them in from the start (and they can be readily defined if considered necessary).

- s 54(3) of the PB and s 78(3) of the NEA be **amended** by deleting "may" and inserting "must".

Spatial and combined plans

LGNZ supports the new approach to plan making in the two bills. Moving to a single combined plan per region (with land-use chapters for each city or district) will greatly reduce the volume of plans overall and allow for more coherent resource management across a region. We support making plans more concise and easier to understand for the layperson, and standardising their formatting.

In terms of timeframes, LGNZ supports shorter timeframes for planning. It is frustrating for communities and councils when plan making processes continue for years, or even decades. But, as elaborated on in the later section on transitional arrangements, LGNZ considers that the pendulum may have swung too far in the other direction, and that the new system risks prioritising speed over quality.

Spatial planning has wide support, but appropriate participation and coordination at central government level is crucial

We are pleased to see the introduction of mandatory spatial planning in the legislation. This is something LGNZ has supported for a long time and commented on extensively during the previous Government's reforms.

LGNZ notes that the Government has stopped short of mandating central government participation in spatial plan committees (though has mandated its participation in their secretariats). This may make sense from the point of allowing sufficient flexibility, but LGNZ's strong view is that, given how much infrastructure planning, spending, and strategising is undertaken by central government in New Zealand, in practise there will need to be central government involvement in the formulation of all spatial plans if they are to deliver on the Government's goals. We recommend that the Government consider further how it will ensure this is the case, and provide assurances to councils.

We acknowledge that the legislation requires councils to consult iwi authorities when developing spatial (and other) plans. However, we are concerned that this is insufficient to allow true partnership and progress for our communities. While individual local authorities can choose to appoint iwi representatives to spatial plan committees, LGNZ's preference would be to consistently require iwi representatives in spatial plan committees on a nationwide basis. As covered later in this submission, LGNZ requests that spatial plan committees are required to have iwi representation, rather than spatial plans just being consulted on.

Aside from the 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.

Public input, local decision making, variation to standardisation

While being supportive of the move to a more standardised system, it is essential that local communities have the ability to input on planning and activities happening in their communities. Standardisation is not appropriate in every circumstance, and LGNZ considers that the system should have appropriate levers enabling local community flexibility.

The system as it stands provides too little flexibility. Councils are only able to include bespoke plan provisions to deliver for their communities, or provisions on a specified topic, if authorised to by national instruments or not precluded by those instruments. Where councils choose to include bespoke plan provisions in support of community interests, they have to create justification reports and provide the report to the Ministry for the Environment for audit. Any bespoke provisions then face merits submissions and appeals. To deliver locally will take significantly longer, and cost significantly more, than nationally imposed direction. In light of the very short planning timeframes set out by the system and the cost of bespoke local community provisions, LGNZ is concerned that councils will not be able to ensure planning documents reflect local circumstances where that is justified.

In addition, the public input on standardised plan provisions is very limited. Communities are unable to make submissions that seek a change to a standardised plan provision, and most plan provisions will be standardised.

While standardisation has clear benefits, it can prove difficult for regions to implement. It is very important that communities can appropriately contribute to land use and natural environment plans. This is especially so because the intent of the system is less consenting due to more direction, certainty and permitted activities with the planning framework.

LGNZ requests that the system is even handed across standardised provisions and bespoke provisions, so that local authorities are not deterred from including bespoke provisions in their plans. Merits appeals on bespoke provisions are not necessary. The requirement to provide justification reports (with proper timing and process) better reflects the Government's intent to front-load scrutiny, rather than rely on post-hoc challenge. Further, clause 89(4) requires the justification report to be proportionate to the scale and significance of the proposed content, so more significant or far-reaching provisions will already receive greater scrutiny.

Overall, LGNZ requests that:

- The requirements and timeframes for considering bespoke provisions are simplified (both for the council and the IHP) to enable communities to obtain local planning outcomes; and
- appeals for both standardised provisions and bespoke provisions are on points of law only.

Iwi/Māori participation

Close and effective working relationships between councils and iwi are central to the successful operation of resource management in New Zealand. Strong council–iwi relationships support better identification of cultural values; improve the quality and legitimacy of planning and consent decisions; and reduce conflict, delay, and litigation over time. They also help build mutual capability and understanding, enabling councils to meet statutory obligations while ensuring iwi are meaningfully involved in decisions that affect their whenua, wai, and taonga. In practice, durable relationships are a critical foundation for effective, efficient and enduring resource management outcomes.

LGNZ understands there are a wide variety of views on how iwi/Māori participation in the resource management should be achieved, and notes that, consistent with the Government's approach on these matters, it has decided against carrying over the "general" Treaty clause that was a feature of the RMA.

However, we have concerns with the approach taken in the new bills, and believe there is the ability to provide more direct and meaningful outcomes for iwi/hapū and communities, and to better recognise the Crown's responsibilities in relation to Te Tiriti. We also have concerns that the focus on adhering to Treaty settlements fails to acknowledge the rights and interests of unsettled iwi in resource management.

We think the following changes are consistent with the Government's 'funnel' approach of shifting debate towards the planning stage and away from individual consents, and will ultimately make for a more efficient system through the avoidance of unnecessary litigation.

Recognition of, and provision for, te ao Māori and cultural effects

- **Amendment** to section 11(g)(i) of the Planning Bill and the Natural Environment Bill to include as a goal:
    - the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga;
    - the protection of protected customary rights; and
    - kaitiakitanga.

  The above matters, from the RMA, are well understood and have been extensively tested and applied through case law. Therefore, applying them is straight forward and their use is certain. This provides greater specificity than reference to Te Tiriti principles while providing greater recognition of, and provision for, Te Ao Māori and cultural values within the new system.

- **Amendment** to section 71 to include a new subclause providing for iwi representation in every spatial plan committee:
    - A spatial plan committee must include at least one iwi representative from the region, nominated by iwi/hapū from that region, and where appropriate may include up to three.

Including such a provision will ensure meaningful involvement of iwi interests within a region. LGNZ acknowledges that a sole representative may be challenging to appoint in certain areas but that reflects the very focused inputs proposed in the system for the process. Spatial plans are at the heart of the new system, applying the national direction and directing the local direction, and LGNZ considers it is crucial to the success of spatial planning that iwi are represented 'at the table' through that process.

- **Amendment** to:
    - section 70(1)(c) of the PB and the NEB to:
        - include “particular regard” rather than “regard”, when the Minister considers advice received from iwi authorities on notified national instruments; and
        - require a response as to how particular regard has been applied to the issues raised when the national instrument is provided for public consultation.
    - sections 80(4)(b) of the PB and 97(4)(b) of the NEB to include “particular regard” rather than “regard” to statutory acknowledgments and iwi management plans when preparing a natural environment plan.
    - cl 14(1)(b) of schedule 3 of the PB and cl 8 of the NEB to state “particular” regard to any feedback or advice received from iwi authorities or customary marine title groups, rather than simply “have regard” in the creation of the land use plan and natural environment plan.

- Finally, LGNZ recommends that the expertise that an independent hearings panel must have is set out in clause 2 of Schedule 4, rather than relying on the Minister's directive. In particular LGNZ recommends that clause 2 is **amended to** require that independent hearings panels must have a member with expertise in Te Ao Māori and connections to iwi, hapū and Māori communities.

Formal relationship agreements between council and iwi/hapū

Our members value the mechanisms that currently exist in the RMA to enable formal cooperation with Māori on resource management matters, such as joint management agreements (JMA), mana whakahono a rohe agreements (MWAR), and transfers of power to iwi authorities. Our 2025 LGNZ AGM passed a remit put forward by Northland Regional Council calling for improving access to JMAs, and carrying them over as a mechanism into the new legislation.

While these mechanisms have been slow to develop, they provide clear processes for council and iwi/hapū relationships. These processes increase collaboration and provide greater certainty in outcomes across the system. The relationships created provide enduring benefits for our communities, and LGNZ recommends that the settings that inform these relationships continue.

Given this, we are concerned the legislation extinguishes the right for councils to enter into new JMAs, MWAR and transfers of power unless treaty settlements explicitly provide for them. We

recommend that the Government instead allows for these to continue to be established, and explores how they can be improved and utilised further in the new planning system.

We therefore recommend the following:

- **Amendment** to the joint management agreement (**JMA**) regime at section 236 of the NEB and section 197 of the PB to include in subclause (1)(b)(i):
  (i) that for the purposes of this Act each public authority or iwi authority that would be a party to the joint management agreement -
- **Amendment** to the Bills to provide for Mana Whakahono ā Rohe Agreements (**MWaR**). These are not referred to in the Bills, despite section 21 of the PB expressly providing for existing or initiated MWaR to continue.
  - LGNZ **recommends** that sections 58L – 58U of the RMA are carried over to the new Bills after s 197 of the PB, and 236 of the NEB.

  MWaR provide another formal mechanism for councils to cooperate with iwi/hapū, which supports both council and iwi/hapū interests and provides for positive community outcomes at the local level. In addition, we note a mistake in section 68 of the NEB (process applying to review), which refers to iwi and hapū that are party to a Mana Whakahono ā Rohe **under this Act**. This cannot be the case as there is no power under the NEB to create a MWaR (although, as above, we consider there should be).

- **Amendment** to section 231 of the NEB to provide for transfer of powers to an iwi authority:
  - **public authority** means the following:
    (a) a local authority; and
    (b) a government department; and
    (c) a joint committee; and
    (d) a local board; and
    (e) an iwi authority.
- **Amendment** to s 193(2) of the PB to provide for transfer of powers to an iwi authority
  - (2) For the purposes of this section, public authority means the following:
    (a) a local authority; and
    (b) a government department; and
    (c) a joint committee; and
    (d) a local board; and
    (e) an iwi authority

  As above for JMAs and MWaR, we consider that the transfer of power mechanism in the RMA is a helpful tool to provide for iwi authorities to undertake kaitiakitanga and apply mātauranga Māori in their rohe. It also provides a significant opportunity for local involvement in elements of the system, such as monitoring. By doing so it aids public understanding of the system and the outcomes occurring, aligned with the 'transparency' sought through the new system. As stated in the SAR (page 69), there is a need for a "more responsive, coordinated, and transparent approach to system oversight and monitoring of

the resource management system." Used well, the transfer of powers to iwi authorities provides a key mechanism that can helps address this issue and deliver better outcomes for local communities. It should be retained.

Consenting

The new legislation aims to significantly cut the number of consents needing to be issued by creating a more permissive system where debates about land use and environmental effects are had primarily at the planning stage, rather than being litigated individually.

LGNZ supports this move and recognises that, implemented well, it should result in large savings for councils due to a reduced administrative burden.

However, we are concerned about the requirement to register permitted activities with councils. Section 38 of the PB requires that a permitted activity rule "must require an activity to be registered", unless it relates to limited specific matters in s 151 or Schedule 7. Further, s 38(2) of the PB goes on to state that a permitted activity rule must provide that an activity is permitted only if the activity is registered with the territorial authority. Clause 38(2)(b) puts further requirements on a permitted activity user, requiring that they must obtain written approval of those affected by the activity, have a certificate from a qualified person that the activity complies, and pay a fixed fee. This is a significant undertaking for a permitted activity user and, given the thousands (or potentially tens of thousands given the uncertainty below) of activities that are likely to require registration each year, for councils.

Currently, the legislation reads as though *all* activities that do not fall into restricted discretionary or discretionary categories are permitted and therefore must be registered (unless within the exclusion). While the idea in principle (and with a narrow focus) could be useful (particularly for permitted activities with cumulative effects), there is no threshold in the legislation for these activities. It is possible that every action could require registration, which will collapse the system.

LGNZ also considers that formally recording most permitted activities with a council is contrary to and undermines the Government's goal allowing people to have free enjoyment of their property rights. Requiring persons to register with the council almost every undertaking at their property is a much higher requirement than in existence under the RMA.

We recommend that either the PB is amended, or national policy direction and national standards are required to address thresholds for which permitted activities need to be formally recorded by councils. These thresholds need to balance effective compliance, monitoring and enforcement with avoiding an undue and excessive administrative burden across the system.

National direction, limit setting, and standardised zones

As previously noted, LGNZ strongly supports a greater focus on setting clear and comprehensive national direction, given the problems caused by its absence in the current system.

Much of the criticism councils face in their decision making under the RMA stems from their difficulty interpreting the rules, due to a lack of clear guidance and direction. Those problems are succinctly summarised in the SAR,[7] quoting from the Cabinet paper as "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". Unless there is a step change in the quality of national direction provided by central government, the history of the RMA will repeat and the new system will fail.

Given the significant shift in the new system to Ministerial control through national direction for fundamental system issues, including zone design, the setting of environmental limits, and for resolving conflicts within the goals of the two bills at a national level, it is crucial that the Government take the utmost care in preparing national direction and standards. We encourage the Government to engage closely with local government to ensure it is workable for those who will be tasked with implementation, to avoid errors or ambiguity cascading down through the system as has been commonplace under the RMA.

In the new system, the Minister will set the human health limits (according to a methodology), and regional councils will set the ecosystem health limits according to a methodology in national standards.[8] Central government must work closely with local government to ensure that limits set at a national level are appropriate and the methodology guiding both human health and environmental limits through national standards is fit-for-purpose.

As explained later in the submission, we request that the Government makes an amendment to the NEB to provide that regional councils set limits before they are required to create natural environment plans, and before regional spatial plans are created.

Transitional arrangements

LGNZ welcomes efforts by the Government to:

- outline an efficient process to transition away from the RMA and to the new processes under the legislation.
- support digitisation of processes (and reasonable standardisation of those processes) nationally across councils.

[7] At page 19.
[8] NEB, s 54.

But the new system must start right if we are to 'make it easier to get things done'. In relation to the transitional process, LGNZ's key concerns (which overlap) are:

- Resourcing (in terms of both capacity and capability) of the transition; and
- Timing of the transition.

These concerns will be relevant for all councils, but particularly acute for smaller councils with fewer resources to draw on. The introduction of rates capping will exacerbate them further.

While we agree there will be significant cost savings for councils over the medium-to-long term associated with RM reform, these cannot be “banked” immediately to pay for the potentially quite significant costs associated with transitioning to a new system.

We note the supplementary impact analysis by MfE estimated there would be initial establishment costs for the proposed system of $860,840,891 for local government, including plan processes, implementing national instruments, and developing limits. This does not include any costs associated with regulatory relief schemes, new processes and systems to enable registered permitted activities, costs associated with any litigation prompted by the move to a new system, and setting up new cost recovery systems. These costs come on top of the costs associated with implementing recent changes to national direction, interim amendments to the RMA, and costs associated with the previous Government’s reforms.

Outside of the resource management space, many other reforms that involve local government will be placing pressure on council budgets – including in the building and construction space, emergency management, and local government form and function, amongst others.

Finally, the stated costs also assume there are no unanticipated changes to resource management policy at central government level, which is not consistent with recent experience. This reinforces the importance of achieving as much political consensus as possible on the reforms.

We recommend that the Government make funding available to help councils meet these costs, to ensure that the transition is progressed quickly and smoothly, so that councils can start realising the considerable benefits the new system will provide as soon as possible.

National Policy Direction and national standards

The first step for the transition is issuing national policy direction and some national standards. This makes sense, but current timeframes risk compromising the quality of this work, with consequences for the rest of the system.

Unfortunately, as mentioned earlier in this submission, councils’ experience under the RMA with national direction is poor. National direction under the new system must deliver a step change in quality from anything achieved over the last 35 years under the RMA. This is especially so when the new regime is deliberately so reliant on the quality of that national direction – and requires more direction than under the RMA.

The process for preparing draft national direction and seeking community feedback on it also needs to be amended (as set out in subpart 4 of Part 2 of the Planning Bill). If national direction is not subject to real-world testing, the risk of failure increases.

Given the need for a 'step change' in the quality of national direction, we consider that the nine-month timeframe[9] cannot and will not enable the new regime to start on the front foot. LGNZ seeks an extension to 12 months.

Plan making

In the same manner as for national direction, we consider that plan-making timeframes are too tight to deliver on the Government's outcomes. The legislation proposes that:

- Spatial plan committees must draft, notify and decide on regional spatial plans within 24 months of Royal assent;
- Local authorities must draft, notify and decide on land use and natural environment plans within nine months of the regional spatial plans.

The process for spatial planning requires the following steps to happen in a timely manner:

- establishing the infrastructure (secretariat) and governance required for the process;
- national policy direction and some national standards to be released nine months after Royal assent and more importantly deliver the step change in quality required (as discussed above);
- spatial plan committees will then only have six months to draft spatial plans for the first public notification,
- that leaves nine months for community consultation and finalisation.

Then for natural environment and land use plans, the following steps must happen:

- spatial plans are decided on 24 months after Royal assent;
- territorial authorities must notify land use plans nine months later;
- concurrently regional councils must notify natural environment plans and determine ecosystem health limits;
- regional councils and territorial authorities must consult, hear, and decide on natural environment plans and land use plans 12 months after notification;
- that leaves 12 months for receiving submissions, standing up an independent hearings panel and holding a hearing, receiving the recommendations from the independent hearings panel, and then making a decision and publishing it.

[9] Planning Bill 2025, schedule 1, cl 5.

These timeframes are unlikely to be capable of delivering positive outcomes for our communities, economy and the environment. Taituarā has looked at this issue in detail[10] and broken down the time required for each step towards preparing and notifying an RSP, and has recommended allowing at least 24 months for notification of a draft. We support this analysis and recommend the Government strongly consider extending the timeframe for their development, to ensure that the first batch of RSPs are robust, well-evidenced, and have buy-in from all participants and stakeholders.

In addition to the short timeframes, LGNZ is concerned about the timing of environmental limits. The limits are expected to be created as part of the natural environment plans. However, the regional spatial plans rely on the limits for their development. The regional spatial plans are intended to be completed nine months before the first natural environment plans are completed. Without the natural environment plans, it is unclear how the limits for the spatial plans will be determined. LGNZ strongly recommends that this is corrected, so that ecosystem health limits are developed before regional spatial plans.

Consenting

LGNZ considers that the transition provided in the two Bills for consenting is efficient and effective. Any consent application lodged:

- before the transition period (earlier than one month of Royal assent of the Bills), will be determined under the RMA as it was at lodgement;
- within the transition period, will be determined under the RMA as modified by the Planning Bill;
- after the completion of the transition period will be determined as a consent or permit under the Natural Environment Act or Planning Act.

Any RMA approvals in place once the system hits the specified transition date (any time from 31 December 2027) will become consents or permits under the new system.

If a consent is due to expire within the transition period (ending on the specified transition date), it is automatically extended to 24 months after the specified transition date. Generally, LGNZ supports this, but notes that it could mean some consents are extended for quite some time (especially given the Resource Management (Duration of Consents) Amendment Act 2025), as we do not yet know when the specified transition date will be. It is likely that it will be sometime after 31 December 2027, to ensure that the system is up and working efficiently, and so a consent due to expire on 30 December 2026 could be extended for four or more years. This could be problematic for councils when a whole consent may need a full review (as happened on reconsenting), or requiring to be addressed over allocated resources.

[10] This was covered in Taituara's submission which can be found here - https://taituara.org.nz/policy-advocacy/submissions/

Any enforcement before the end of the specified transition date will take place under the RMA. We support this as it allows councils to continue with the systems that they know while they undertake planning under the new system.

Compliance, monitoring, and enforcement

Reform and better resourcing of councils may be a better option than a new centralised agency

LGNZ notes that a key pillar of the Government's reforms, and the quid pro quo to a reduction in emphasis on consenting, is strengthened compliance, monitoring and enforcement of the use of land and natural resources. We support the measures included in the legislation that will strengthen CME.

There is, however, considerable uncertainty about the future of CME roles and responsibilities under the new regime. These decisions are tied up with broader questions of local government structure and the possible establishment of a national body that would take on some or all of the CME roles that currently rest with councils. We note that the rapid review of regional council functions will be looking at this.

There are a variety of perspectives within local government on who should be responsible for CME in the new system. LGNZ acknowledges that CME in particular has been a considerable source of public frustration under the RMA, including perceived inconsistencies between councils as to how they interpret the rules and what activities they choose to focus on. On the other hand, separating it out entirely from those responsible for plan making may have unintended consequences, given the that the two processes are interdependent.

LGNZ's view is that while capacity to conduct CME functions does invariably vary between councils, the Government should first consider whether sufficient improvements in CME could be realised in a new system where there is clearer direction and adequate resourcing for councils. It should do this before deciding to establish a new centralised bureaucracy to undertake some or all of the CME functions under the new legislation. The proposals around reorganisation of local government may also allow for greater efficiencies.

Unfortunately, the introduction of rates capping and the need to fund the transition to the new resource management system are likely to place considerable strain on councils' ability to adequately resource even existing levels of CME, let alone undertake additional action. LGNZ is concerned this pressure could undermine the integrity of the new system.

New enforcement tools build positively on the initial changes made last year

LGNZ supports the enforcement tools included in the new Bill. In particular, LGNZ is supportive of the following new concepts:

- Financial assurance. This will be helpful for local authorities to provide options beyond financial bonds but still have assurance that a rule/condition will be complied with.[11]
- Adverse publicity order. LGNZ considers it is helpful for entities to have to publicise or notify its non-compliance to the public/affected person, along with any specified additional information,[12] as it directs some of the negative attention away from the council to the entity causing the harm.
- A person who has (allegedly) committed a contravention may offer an enforceable undertaking to pay compensation or penalties.[13] The local authority or EPA is able to accept this, and can apply to the District Court if a person contravenes the enforceable undertaking.[14] LGNZ supports this as it will make it easier to ensure contraventions are penalised.
- The Environment Court or District Court may order a person to pay the amount of money the Court believes the person accrued in monetary benefits by committing an offence.[15] For example, if a person cut down trees blocking a view, and this increased their house value by $50,000, the Court could order this amount be paid. LGNZ supports offenders not profiting from their offences.
- Finally, the court has wider discretion to issue higher monetary penalties where an entity has contravened the Act. For a natural person, the limit is $1 million, but for a body corporate the limit is either $10 million, three times the value of the commercial gain from contravention, or 10% of the turnover of the body corporate and its connected bodies (whichever is greater).[16]

LGNZ considers this is very helpful to ensure that penalties are seen as penalties rather than a cost of doing business. In particular, setting the penalty as a percentage of turnover helps to ensure the Acts will not need amendments regularly to ensure the penalties are high enough.

Establishment of Planning Tribunal

LGNZ tentatively supports the establishment of the Planning Tribunal as it provides a potentially efficient mechanism to deal with lower-level disputes. However, LGNZ is not sure there is a significant problem with the existing s357 and 357A objection process, which covers many of the matters proposed to be transferred to the Tribunal. What is critical is that the Planning Tribunal is not just another bureaucratic process imposed on the system especially if those issues could be addressed in a more efficient and cost-effective manner.

[11] PA, schedule 8, cls 2-3.
[12] PA, schedule 8, cl 20.
[13] PA, schedule 8, cl 21 – 22.
[14] PA, schedule 8, cl 26(1).
[15] PA, schedule 8, cl 29.
[16] Planning Bill, Schedule 8, cl 32.

As raised in the SAR,[17] LGNZ is also concerned that resolving **notification** disputes through the Planning Tribunal will open the process up to greater challenge, complexity and uncertainty. With this process especially, there is a real chance that the new process may slow matters down. A council will often decide a resource consent and notification decision at the same time. If applicants have to wait 25 working days for an appeal on the notification decision to the Planning Tribunal, this has a risk of delaying implementing the consent. Further, the low bar of entry to the Planning Tribunal will probably mean more challenges to these decisions (and delay to the system) than under the RMA. Judicial review has a high barrier of entry, so this is not overly common and ensures only fundamental disputes proceed.

Costs and cost recovery

LGNZ supports the new cost recovery framework – in particular, sections 191 of the PB and 229 of the NEB. These sections are broadly worded and encompass many local authority powers and what it may charge for, as opposed to the RMA, which tended to be more specific. The powers in the PB and NEB are comprehensive and should allow for local authorities to recover many of their costs. Ratepayers currently pay for the council parts of the system that are not recovered, especially in relation to planning.

However, LGNZ has significant concerns with the proposed levy regime (s 283 of the PB and s 313of the NEB):

- The levy regime under the PB (s 291):
    - Is solely for the benefit of the Crown but requires councils to collect the levy monies and then pay them to MfE.
    - Enables to Crown to require territorial councils to each establish a new levy regime and system (including, we assume, debt collection) at their cost to then simply pay all the money onto the Crown.

    While councils can recover their costs for managing the revenue collection system for the Crown (PB s 191), that is not a function of local government nor is it transparent to the community as to who is requiring the payment and to whom it is going.

    This bureaucratic and inefficient process must be amended (or, given it is uncosted, withdrawn). The Crown must recover its own costs and if the system is to be imposed then MfE should develop and operate a centralised, efficient and cost-effective system to obtain the monies levied by the Crown.

- The levy regime under the NEB:

[17] At page 43.

- Also requires regional councils to establish the systems and process (including, we assume, debt collection) and recover those costs (s 229).
- Is a split between central government and regional council roles, responsibilities and functions (ss 313 and 314) meaning at least regional council get some benefit from the levied monies.

Again, the regional councils must collect **all** monies payable under the new system (ss 333 and 334). However, unlike the PB, there is no requirement on regional councils to pay monies collected on behalf of the Crown to MfE. This appears to be an error.

The costs of establishing a regulatory regime have not been stated. While that too is recoverable, and it is recognised that the actual levies would be evaluated at the time the secondary legislation is introduced, the actual system costs should be provided now to enable transparent and robust consideration of the levy process and its cost/benefit.

As noted in the SAR[18] this system has "not been subject to public consultation but [has] been tested with government agencies". No engagement occurred with councils. Some agencies raised concerns that are significant for our communities, including effects on housing affordability, Māori rights and climate adaptation.

New resource allocation methods

LGNZ acknowledges that while the legislation retains the existing "first in, first served" method for resource allocation, there are provisions in the bills to allow for a move towards new methods, including market-based mechanisms.

LGNZ notes the inequities and inefficiencies associated with the current approach, where existing users are prioritised over new users even where they may have a much stronger case for use of a given resource. We also note that Māori in particular have borne the brunt of this approach.

While we recognise that this is an issue for the Government to address at a national level, we suspect that much of the resolution of this issue will be left for the lower-level planning documents to address at a local level. This will add significant tension, inefficiency, cost and potentially delay to those processes. This is especially so when national direction can change alongside new Ministerial appointments. Having clarity as to allocation priorities and direction within the NEA itself would provide significant additional certainty into the process.

We recommend that the Government work closely with local government as it further develops policy in this area, given the key role councils will play in implementing it.

[18] At page 84.