The good, the bad, & the uncertain:

Implications for Local Government in Resource Management Reform

December 2025

The Natural Environment Bill (**NEB**) and Planning Bill (**PB**) (together, **Bills**) had their First Reading on 16 December and have been referred to the Environment Select Committee, with submissions closing on 13 February 2026. The Government intends the Bills to become law in mid-2026.

As the dust settles on the release of the Bills, this article discusses some of the important implications for local government. We summarised the Bills at a high level in our previous FYI. That article explains the split of the two bills, functions within the new system, the transition to the new regime, and timing for implementation.

This FYI provides a closer look at some of the important elements of the Bills through a local government lens:[1]

- The new system architecture and its implementation;
- Enforcement tools;
- Regulatory relief;
- Effects that are excluded and the assessment of effects in a limited 'environment';
- Implications of significantly more permitted activities; and
- A lack of clarity in the notification provisions.

Following consultation in mid-2025, the Government has also confirmed that ten national direction instruments (new or amended) under the RMA will take effect on 15 January 2026. They will apply under the transitional RMA regime and inform the design of the new planning system. The subject matters affected are natural hazards, infrastructure, granny flats, highly productive land, coastal policy, indigenous biodiversity, freshwater management, renewable energy generation, and electricity networks.[2]

1. *If you wish to know more about:*
   - *consent duration extensions, designations, and the implications of the reforms for infrastructure, those are dealt with in this article.*
   - *private plan changes, consents that change a plan, the new Planning Tribunal, and implications for urban development those are dealt with in our article focused on urban development we will be publishing in early 2026.*

2. *You can read more about those amendments on the Ministry for Environment's website here.*

01 The good

The new system architecture

The Bills endeavour to funnel decisions within the hierarchy of higher order implementation.

Goals are implemented through national policy direction and standards where reconciliation of competing goals is to happen, which are then embedded into the Regional Spatial Plan (**RSP**), and ultimately implemented in Land Use Plan (**LUP**) and Natural Environment Plan (**NEP**) rules and methods. As the funnel narrows, (at least in theory) discretion reduces and consistency in decision making increases.

The national direction is key to the architecture of the Bills. A single national direction for each Bill made up of national policy, coupled with national standards including standards for setting the evidence supporting combined plans, standards for human health limits, and methodologies for setting ecosystem health limits amongst other matters, allocative methods, as well as standardised zones to be used in LUP and NEP. The intention is this approach should simplify plan architecture, reduce duplication, and shorten drafting cycles. The relationship between each instrument in the funnel is implement, which under current RMA case law means the same as 'give effect' to.

Environmental limits, planned to be mostly set by central government (central government will set human health environmental limits, and regional councils will set ecosystem health limits - but must follow the methodology specified in national standards if there is one), will be the anchor for all allocation decisions. The NEB introduces two main tools for managing resources that are subject to limits – a cap on use, and an action plan. The NEB gives first preference to caps, unless using a cap is not effective or feasible, or national standards say otherwise. Action plans can set out how permit decisions will be made or reviewed, what rules should look like, and whether caps are needed.

The NEB requires regional councils to avoid breaching limits, to assess whether a breach is likely, and to act if a breach is on the horizon. That can include preparing an action plan, setting or changing caps, making or changing rules, building in safety margins, and changing the way resources are allocated.

All of this moves allocation onto a clearer footing. Limits come first, caps and action plans follow and, where justified by national instruments, market based or comparative methods can be used to decide who gets to apply and who receives permits. The Bills also enable adaptive management, with detailed requirements that will assist in whether it is appropriate to adopt such an approach. The NEB prohibits permits being granted in certain circumstances, including where it would breach an environmental limit unless authorised by national standards or a water services standard.

This approach has the potential to work better where limits are well defined, data and monitoring are strong, and national instruments give clear, practical allocation methods. Caps and action plans may be faster to set and adjust than bespoke consenting case by case, and market based or comparative processes can reduce delay and improve transparency where demand exceeds supply.

Success will turn on the quality and timing of national standards, the strength of limits and monitoring, and the practicality of the market based and comparative methods once they are used in real world allocation decisions.

One of the most significant changes under the new legislation is the new spatial planning framework. A RSP is required to:

a. set the strategic direction for development and public investment priorities in a region for a time frame of not less than 30 years;

b. enable integration at the strategic level of decision-making under both Bills;

c. implement national instruments made under both Bills in a way that provides for use and development within environmental limits;

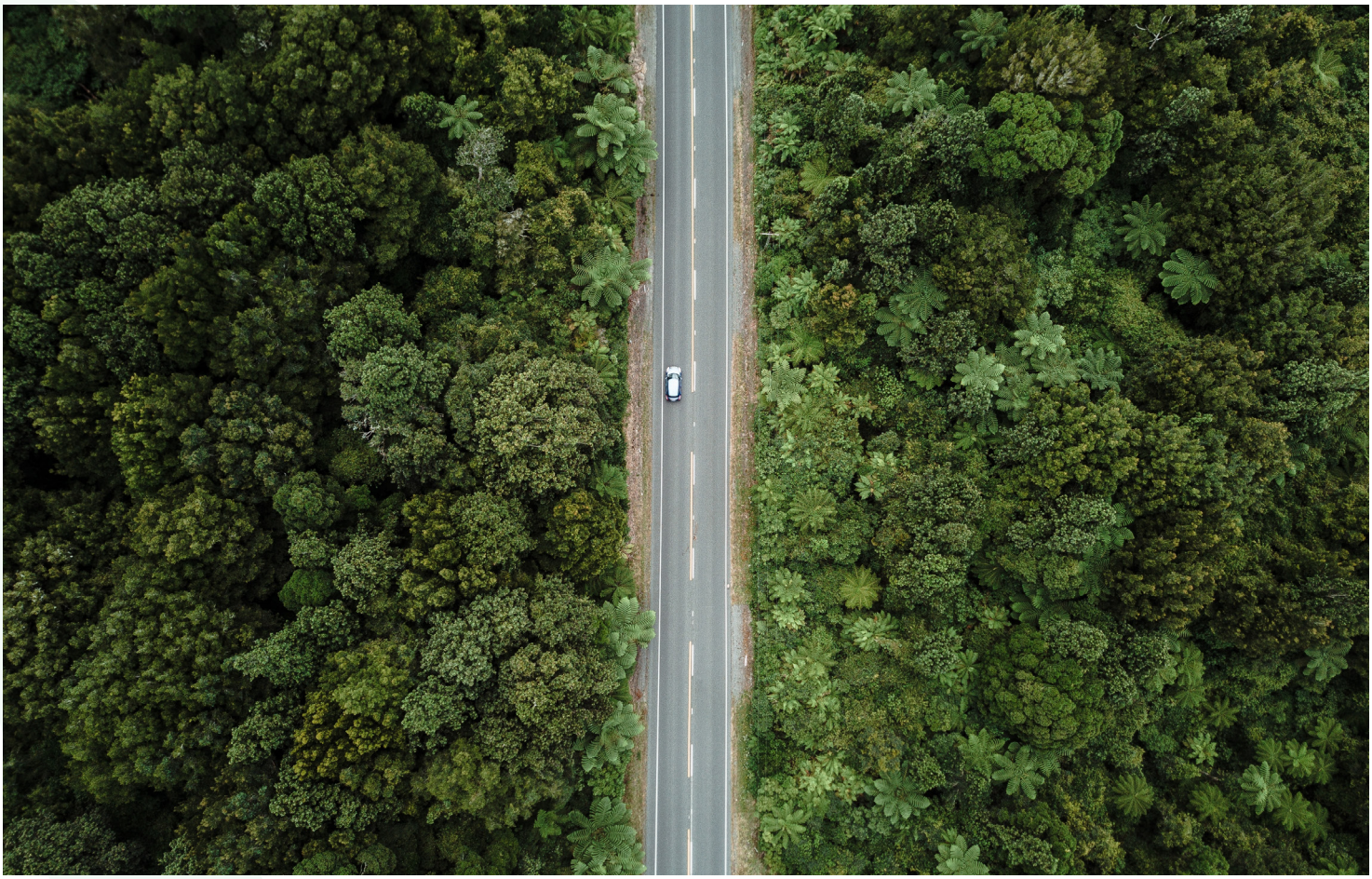
d. support a co-ordinated approach to infrastructure funding and investment by central government, local authorities, and other infrastructure providers; and

e. promote integration of development planning with infrastructure planning and investment.

This approach to spatial planning is consistent with the recommendations of the Expert Advisory Group, and Labour RMA reforms, and generally accepted to be a positive planning tool.

In the context of the Bills' approach to the 'heart' of the new system, the following themes emerge:

- **Central government policymaking is key**
  Once national instruments are in place, local authorities will have more limited planning discretion and, at least in theory, inconsistencies will have clearer pathways to resolution prior to the consenting level. The overall effect of these clauses is a tangible shift of policy making gravity towards central government. National instruments set the template, the RSP translates that template into a 30 year strategy, and NEPs and LUPs implement the strategy using standardised provisions. If early settings are incomplete or ambiguous, this will ripple through regional spatial strategies, plan drafting, and consenting.
- **Reconciling the goals will be important**
  The Bills do not rank one Goal (cl 11 of each Bill) over the other. The same tensions that exist in the RMA framework are likely to emerge and it will be important to implementation that direction is given on reconciling them. When designing national instrument, the Minister must have regard to principles that might assist with reconciliation(clause 45 of the PB).
- **There is a balance to be struck between standardisation and local nuance**
  The regime expects most plan content to be standardised. Standardised zones and rules simplify drafting but can compress local nuance (and developer expectations). If the planned zoning templates are too rigid, councils may have to turn to bespoke provisions, triggering justification requirements and merits appeal litigation.
- **Resources and timing**
  Compressed plan timelines will test resourcing. Quality planners and experts will be at a premium at certain pinch points in the transition – across the country, not just in one or two regions. We expect this will put a 'squeeze' on the profession when the first RSPs are being drafted and litigated, and again at the point where LUP and NEP are being developed and tested.



Enforcement

Compliance and enforcement functions of local government will benefit from the Bills' modern enforcement regime, particularly as the positive changes already introduced by the Resource Management (Consenting and Other System Changes) Amendment Act 2025 have been carried over into the Bills.[3] The following new tools provided by the Bills will assist in deterring offending, ensuring fines are not a license to offend, and that polluters pay for the effects they create:

Policy and publication requirements	Local authorities are required to prepare a compliance and enforcement strategy and to publish on the internet a register of all their enforcement activities that result in conviction or court order, and all decisions to accept enforceable undertakings. These requirements are intended to provide transparency and consistency.
Financial assurances	Consent authorities and the EPA are empowered to require persons undertaking activities to provide financial security (including cover costs of remediation or clean-up). Financial assurances can be a bond, a form of insurance or in any other form specified. They are a proactive tool and can be imposed as a consent condition or while the person is undertaking the activity on notice.
Enforceable undertakings	Local authorities or the EPA may accept written commitments from a person to take specific actions to remedy, compensate or avoid adverse effects arising from non-compliance. These can include payment of compensation, or other remedial measures.
Monetary benefit order	Monetary benefits acquired by the person, or accrued or accruing to the person, as a result of the commission of the offence can be ordered to be paid by that person by the District or Environment Court. The local authority or EPA receives the payment. The person's financial circumstances and estimate of the monetary benefit gained from the non-compliance shall be considered.
Pecuniary penalty regime	The Environment Court, on application by a local authority or the EPA, may order a person to pay a pecuniary penalty to the Crown or any other person if satisfied that the person has contravened or permitted a contravention of this Act, regulations, or a national rule. This is a civil regime for offending as an alternative to criminal prosecutions, that can be a valuable alternative to a criminal prosecution where appropriate, particularly given the balance of probabilities standard of proof.

3. *Our previous article summarising those is here: Simpson Grierson - RMA Reforms: Increased penalties and a ban on insurance for fines and infringement fees.*

Consenting times remain similar to the RMA

Interestingly, the timeframes for processing planning consents are not substantially different from the current RMA timeframes, although they are provided in a much simpler form.

RMA					
Type of consent	Non-notified without a hearing	Non-notified with a hearing	Limited notified and does not go to a hearing	Limited notified with a hearing	Publicly notified
Total working days from lodging consent application	20	50* *Assuming a 1-day hearing.	60* *Assuming an earlier closing date is not adopted.	100* *Assuming an earlier closing date is not adopted.	130* *Assuming a 1-day hearing.

PB & NEB					
Type of consent	Non-notified application with or without a hearing	Targeted notified application without a hearing	Targeted notified application with a hearing	Publicly notified application without a hearing	Publicly notified application with a hearing
Total working days from lodging consent application	45	70	100	90	130

02 The bad

Regulatory relief

The regulatory relief provisions (Part 4 of Schedule 3 of the PB) have been a point of contention since the Bills were released, attracting comments that the provisions would bankrupt some councils, and are a significant threat to environmental wellbeing. From a local government perspective, the regulatory relief regime is problematic.

The Bills allow relief to be granted if a 'specified rule' in a plan has a 'significant impact on the reasonable use of land'. A person is eligible for relief under a relief framework if they own land that is impacted by a specified rule in a plan when the plan is made operative, subject to exceptions.

A 'specified rule' is a rule on one of the 'specified topics' in two Bills:

- significant historic heritage sites or significant historic heritage structures (PB)
- sites of significance to Māori (both Bills)
- outstanding natural landscapes or outstanding natural features (PB)
- areas of high natural character in the coastal environment, wetlands, lakes, rivers, or their margins (PB)
- a significant natural area (NEB)
- terrestrial indigenous biodiversity (NEB)

Importantly, there are outcomes (or goals) for each of these resources expressly set out in clause 11 of each Bill. The Bills say that Councils must seek to achieve certain goals (for example "the identification and protection of sites of significance to Māori"), yet in seeking to achieve that outcome, the same council would have to provide regulatory relief for what the Bills require of them. Further, if any national direction is created that sets out how the goals related to the listed resources are to be achieved, councils will have to implement that national direction. In our view this creates a significant conflict in duty for councils.

When preparing or deciding a proposed plan change or private plan change that contains a 'specified rule', a local authority must:

- consider whether the impact of the proposed rule on the reasonable use of land is substantially different from the operative plan; and
- if the local authority considers the rule is likely to have a significant impact on the reasonable use of land, develop a relief framework for inclusion in the proposed plan when it is notified.

Once the plan is made operative, the local authority must, as soon as possible, implement the relief framework by:

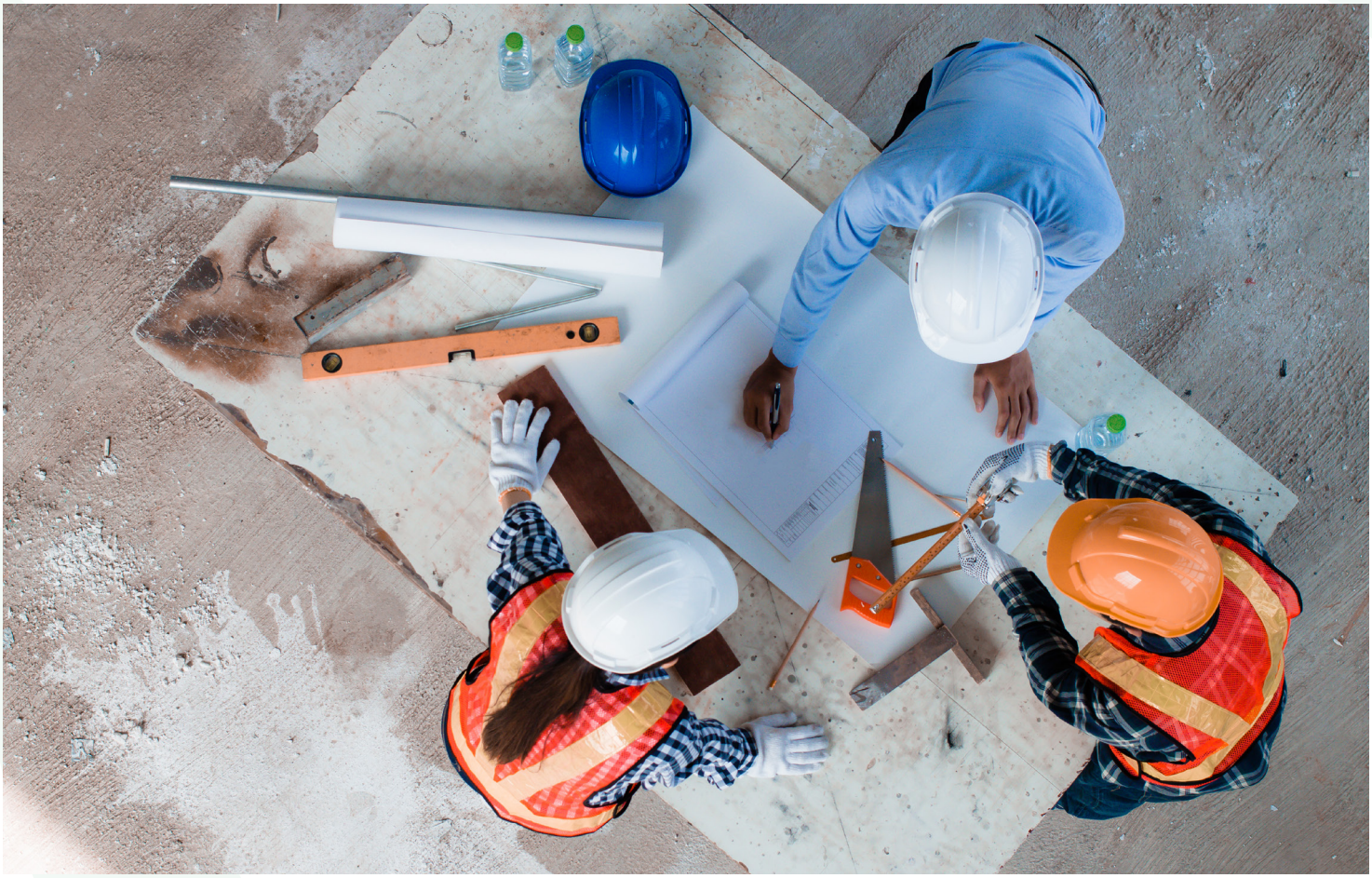
- carrying out a relief assessment to identify land impacted by the specified rule and applying the relief framework to that land, informed by a materiality assessment; and
- notifying affected persons of the results of that assessment, and publishing those notices online.

Local authorities would be able to use a range of tools when providing relief, including rates relief, bonus development rights, no-fees consents, land swaps, access to grants or expert advice, and payment of compensation.

There are a raft of issues with the regulatory relief provisions. In our view, the most significant ones include:

- From a first principles perspective, requiring the regulator to pay for planning rules focused on identifying and protecting 'public goods' could deter the recognition of those important environmental and cultural matters;
- In many cases the decision to include 'specified rules' in a plan will not be a local authority decision. For example where they are required to be included by a national instrument or the RSP, or where included by the Environment Court when determining an appeal;
- The inclusion of sites of significance to Māori in the 'specified topics' could place both local government and iwi in a difficult position whereby the protection iwi may seek could cause a significant financial impact on local authorities;
- The regime does not consider that some districts have a disproportionate amount of the 'specified topics' and thus would be unreasonably affected by the regime compared to other regions;
- The threshold of 'significant impact' is uncertain;
- It is not clear what is a 'reasonable use of land' and how that should be assessed where the landowner might wish to do something that is not reasonable in the context of the resource or values in question;
- It is not clear what the value of the relief should be related to. It does not need to be on a 'like-for-like basis' but 'proportional' to the level of impact;
- The transitional regime effectively means that property owners can get relief if a previous RMA plan rule would attract relief under the new regime and a local authority carries it through to the new plans. This is the case only if the land has not changed ownership since that operative RMA plan was notified. This provision would have retrospective effect and could be very difficult to administer.

The fact that local authority decisions can be appealed on their merits, coupled with the uncertainty in the provisions creates a clear risk of a proliferation of litigation, coming at an additional cost to local authorities.



03 The uncertain

Uncertainties are important issues to consider across the Bills, as if provisions are not workable and clear then this could undermine the speed and efficiency the Government hopes the regime will bring.

Effects excluded

The Bills exclude certain effects from consideration in clause 14.

Effects excluded
Internal and external layout of buildings
Negative effects on trade competition
Retail distribution
Financial viability (subject to exceptions around economic growth and enabling competitive land markets)
Visual amenity
Type of residential use and social status of future residents
Views from private property
Effect on landscape
Precedent effects
Any matters where land use effects are dealt with under other legislation

Councils might wish to consider whether, with these effects out of scope, that could create any difficulties in delivering on the goals in clause 11. Further, the language used in these effects exclusions should be closely scrutinised for certainty and clarity.

The NEB prevents permit authorities (regional councils) from considering effects regulated under the PB, which may prove a challenge to delineate in some circumstances, for example where natural hazards effects are relevant under the PB, they are then not able to be considered under the NEB despite management of natural hazards being one of the goals of the NEB.

Restriction on the 'environment' that is relevant to effects assessment

The split between the Bills is intended to be reflected in what adverse effects councils can consider when granting a consent or permit. Adverse effects are relevant to the determination of an application only where those effects are on a person or:

- 'the built environment' for a planning consent (cl 139);
- 'the natural environment' for a permit (cl 156)

The definitions of these two terms restrict the matters that can be considered for consents (including for notification) under each Bill. The definitions do not seem to reflect the goals or scope of the Bills as set out in clause 11.

The restriction on what the environment means and includes at the consenting stage of each Bill is an immense shift from the RMA definition of the 'environment'. This element of the Bills may well be unworkable. Most obviously where land-use activities that have significant adverse effects on the natural environment don't require a separate permit under the NEB. It is not clear why the same 'environment' cannot be relevant to both Bills with the relevant effects being those within the scope of the particular Bill as directed by the relevant plans (as occurs in many jurisdictions in Australia).

Implication of more permitted activities

The intention of the Bills is for more activities to be classed as permitted. The permitted activities regime in the Bills requires registration of permitted activities with territorial authorities, which in itself appears to be an onerous and inefficient new requirement. Permitted activity rules can also require written approval to be obtained, or a certificate from a qualified person provided, or a fee may be required to be paid. Once a permitted activity is registered, the council will be required to carry out any monitoring of the activity required to ensure that the permitted activity rule is met. Given this new regime for an expanded number of permitted activities and the requirement to monitor them, the ability to appropriately cost recover for this function is important for Councils to secure.

Notification tests lacking clarity

In our view, local authorities will find notification assessments more complex due to the restructuring and changes to these provisions aimed at reducing the number of consents that are notified.

The Bills' notification framework includes the following key features (as well as some familiar ones):

- no special circumstances;
- a higher effects threshold for both targeted (previously limited) to more than minor and public notification to more than minor in the PB and significant in the NEB;
- a two-step targeted notification test focusing on the effects on environment and then affected persons;
- defining affected persons and whether they can be identified being relevant to public notification;
- a restriction of consideration of effects of an activity only on people and in the 'built environment' and 'natural resources' respectively (discussed above);
- A requirement separate from who can be an affected person, that submitters on publicly notified consents must be a qualifying resident of the district/region, or an affected person. A 'qualifying resident' is ratepayers and infrastructure providers within the district, natural persons whose main place of residence is within the district or non-natural persons that have an office or operate within a district.

All of these new concepts could create litigation risks due to a lack of clarity and workability (with notification now appealed to the Planning Tribunal in the first instance). In particular there seems to be obvious issues with public notification on the basis of whether affected persons can be identified or exist and the level of effects, but then only accepting submissions from 'qualifying residents' and affected persons. Local authorities will have to undertake an additional assessment to determine whether the submissions received in response to public notification can be a submission on a publicly notified application can be made.

04 Contacts

If you would like to discuss the implications of these reforms, or need assistance with preparing a submission, please contact one of our experts listed below.

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