TE KOMITI ĀPITI MŌTE MAHERE Ā-ROHE | DISTRICT PLAN SUBCOMMITTEE

Meeting to be held in the Council Chambers,
2nd Floor, 30 Laings Road, Lower Hutt on
Thursday 12 February 2026 commencing at 9.30am

SUPPLEMENTARY ORDER PAPER

PUBLIC BUSINESS

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HUTT CITY TE AWA KAIRANGI **District Plan Review Committee**

10 February 2026

Report no: DPSC2026/1/2

Hutt City Council Proposed Submission on the Planning Bill and Natural Environment Bill

Purpose of Report

1. To present a summary of the Planning Bill and the Natural Environment Bill, and to support a submission from Hutt City Council regarding them.

Recommendations

That the Subcommittee:

(1) approves the draft submission on the Planning Bill and Natural Environment Bill attached as Appendix 1 to the report;

(2) notes that the submission raises matters of significance for local government, including climate change mitigation, Treaty of Waitangi obligations, funding mechanisms, and compensation for landowners; and

(3) provides guidance on the matters outlined in the Options section of the officer's report to inform the finalisation of the submission; and

(4) delegates to the Head of Planning, in consultation with the Chair, authority to finalise the wording of the submission prior to lodgement.

Background

2. On 9 December 2025, the Planning Bill and Natural Environment Bill (the Bills) were introduced in Parliament. Between them, they would repeal the Resource Management Act 1991 (RMA) and replace it with a new resource management system. The government's aims for the new system are to:

    a. "reduce the number of consents needed by narrowing the type of effects that are regulated;

    b. make it easier to build homes and infrastructure by enabling the establishment of a clear set of rules under each law to guide councils and decision makers;

    c. increase consistency between council plans across the country through greater standardisation;

d. reduce the number of council plans by providing for 1 plan per region that implements national direction and includes spatial, natural environment, and land-use plans in 1 place;

e. safeguard the natural environment and human health by introducing an environmental limits framework covering air, water, land, soils, and indigenous biodiversity, and setting out a regime to manage resource use within these limits; and

f. make better use of data and technology to enable faster, more consistent planning decisions and make it easier to monitor performance and outcomes"

3. A brief explainer of the reforms from Local Government New Zealand (LGNZ) is set out in Appendix 2 attached to the report. A more detailed overview from the Ministry for the Environment is available at: https://environment.govt.nz/assets/publications/Better-Planning-for-a-Better-New-Zealand.pdf.

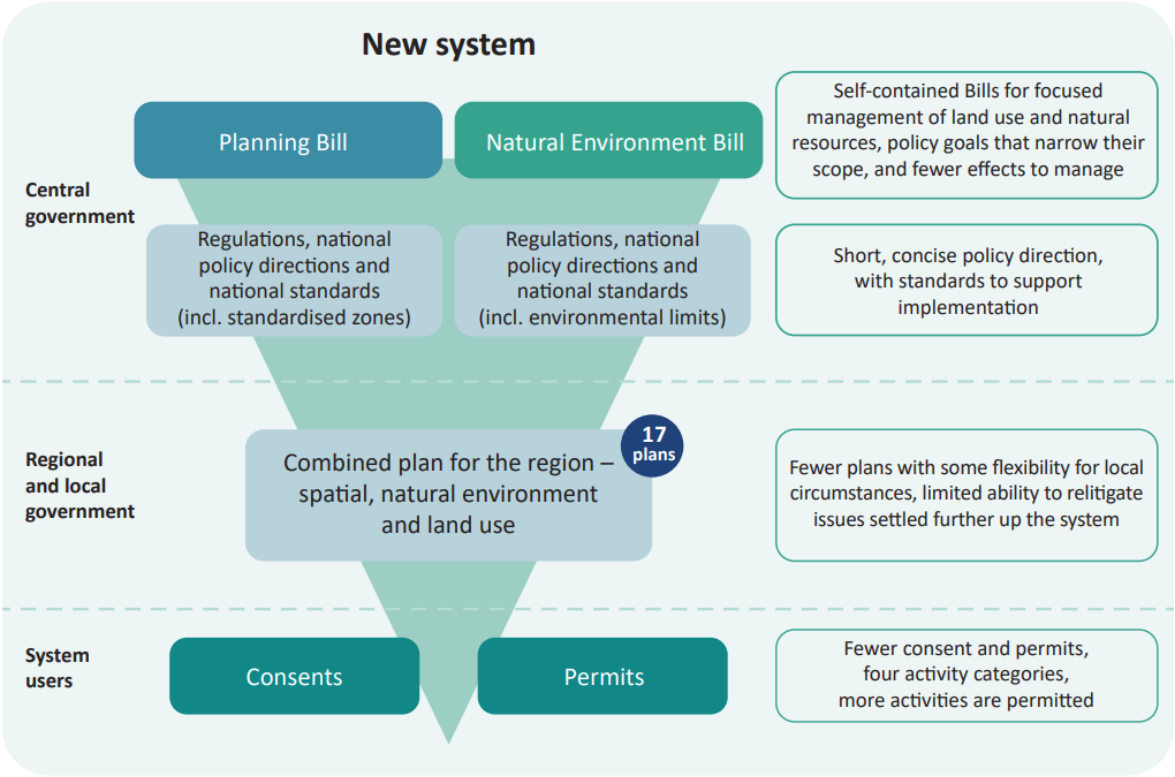

Diagram - Ministry for the Environment

4. The overall goals of the new system are:

a. "to ensure that land use does not unreasonably affect others, including by separating incompatible land uses;

b. to support and enable economic growth and change by enabling the use and development of land;

c. to create well-functioning urban and rural areas;

d. to enable competitive urban land markets by making land available to meet current and expected demand for business and residential use and development;

e. to plan and provide for infrastructure to meet current and expected demand;

f. to maintain public access to and along the coastal marine area, lakes, and rivers; and

g. to protect from inappropriate development the identified values and characteristics of—

i. areas of high natural character within the coastal environment, wetlands, lakes and rivers and their margins;

ii. outstanding natural features and landscapes; and

iii. sites [of] significant historic heritage.

h. to safeguard communities from the effects of natural hazards through proportionate and risk-based planning.

i. to provide for Māori interests through—

i. Māori participation in the development of national instruments, spatial planning, and land use plans;

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); and

iii. enabling the development and protection of identified Māori land."

5. This carries over much of the purpose of the RMA, but removes or deprioritises a number of goals that are in the RMA, including:

a. The protection of significant areas of indigenous vegetation and indigenous wildlife habitats (this would now be a regional council function under the Natural Environment Bill instead);

b. Promoting renewable energy and energy efficiency; and

c. The protection of amenity values.

6. Council's key responsibilities in the new system would be:

a. Continuing to process and monitor resource consents;

b. Continuing to enforce noise standards, planning rules and resource consent conditions, although now in parallel with a national enforcement body;

c. Preparing and updating a land use plan, similar to the existing district plan, although with much more standardised national content and a more limited scope of what it covers; and

d. Participating in a process to produce a Regional Spatial Plan along with the regional council, other councils in the region, and central government, that would both be informed by and shape the direction of Long Term Plans.

7. The Bills are currently before the Environment select committee and are open for public submissions until 4.30pm, Friday 13 February.

8. This paper is not a complete briefing on the impact of the Bills on Council. Officers expect to prepare a briefing for the full Council once the Bills' content is finalised and expected to be passed.

Discussion

9. The reforms, if enacted, would have a significant impact on Council and the community. Key issues that are addressed in the draft submission are:

The reduced scope and untargeted goals of the new system.

10. Many issues covered by the RMA would be removed from the new system. Some of these, such as not requiring protection of indigenous vegetation, removing many aesthetic considerations for the appearance of new buildings, and not discriminating based on housing type, fit with Council's recent planning decisions (including on the Proposed District Plan) or formalise existing practice.

11. However, one loss at significant odds with Council's recent decisions and strategy would be to remove climate change mitigation from the goals of the system. The RMA expects climate change mitigation to be integrated into decision-making, including consideration of the national Emissions Reduction Plan. While local councils do not directly control emissions under the RMA, many planning decisions, including those on transport and urban form, have a significant indirect impact. Removing consideration of climate mitigation could limit Council's ability to mitigate climate change through land use and development planning which would undermine Council's strategy for city-wide emissions reduction.

The potential for gaps in financial contributions during the transition.

12. The new system would remove the ability for councils to require financial contributions (essentially, a fee) on developments. Council currently uses this ability to charge reserves contributions, and recover some unforeseen costs not covered by development contributions. In the long term, this should be covered by the Development Levies system proposed and currently being consulted on by the government, but there is a risk of a funding gap in the interim or if the Development Levies scheme does not proceed as proposed.

A reduced emphasis on Māori interests and participation.

13. The new system makes a number of changes affecting the rights and interests of Māori in the planning system. It would:

    a. Remove the RMA's explicit general obligation on decision-makers to take into account the principles of the Treaty of Waitangi in all decisions;

    b. Downgrade the goal of "[recognising and providing for] … the relationship of [Māori] and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga" to only identifying and protecting specific identified sites of significance, and this in turn goes from being a top-tier matter of national importance under the RMA to just one of a large number of the unprioritised goals of the Bill;

    c. Remove consideration of the importance of kaitiakitanga entirely (a matter all persons exercising functions and powers under the RMA must have particular regard to); and

    d. Remove a number of procedural provisions providing for guaranteed Māori participation in decision-making processes, eg the right to be consulted on whether a hearing requires a commissioner with familiarity with tikanga Māori, and the right to be consulted during the development of certain national direction.

14. In general, these provisions do not *preclude* Council from continuing its current approach of mana whenua partnership and engagement, or considering and advancing policies and rules on protecting Māori taonga and values. However, the lack of formal rights of participation would mean that, even if Council were to make decisions on the basis of engagement with tangata whenua, this would not necessarily be respected by independent decision-makers: commissioners, the Minister, and the courts. It would also not guarantee Māori presence in decisions on planning documents authored by the regional council, neighbouring authorities, or in regional spatial planning.

15. It is a political question for Council about whether to advocate for a general-purpose treaty clause (Option C).

16. The new system would also remove a number of potential tools for mana whenua participation that are not currently used by Council: Joint Management Agreements, transfers of powers, and Mana Whakahono a Rohe (iwi participation arrangements). The feedback from mana whenua is that they wish to keep these options open to possibly negotiate in future – Council could support this, or remain silent (Option D).

A risk of local government being involved in Treaty settlement negotiations.

17. Existing Treaty settlements in the region and nationally provide a connection with the RMA, from at minimum, statutory acknowledgements of particular values and areas that have weight in decision-making, up to, in some cases, a right to participate in certain regional council decision-making processes. These are based on the assumption that the general framework of the RMA and its values will continue.

18. Settlements applying within Council's territory do not contain significant RMA interaction, other than standard statutory acknowledgements, but others in the region could affect Council indirectly via the regional council. For example, the Ngāti Kahungunu ki Wairarapa Tāmaki nui-a-Rua settlement protects the existence of a joint body that forms the Greater Wellington Regional Council committee responsible for developing regional plan changes. With a change in regional council responsibilities in the new system, the status of this right becomes more ambiguous.

19. In order to preserve these types of rights in the new system, the Bills provide a relative short, two-year period for central government and iwi to negotiate alterations to Treaty settlements to update those settlements. There is no significant driver for either party to come to a quick agreement.

20. At the end of the two years, it would fall to local government to effectively decide how to interpret and give effect to Treaty settlements in the new system, including where it may no longer have powers that the settlement relies on local government having. This would put local government, particularly the Greater Wellington Regional Council, in the position of de facto renegotiating the meaning of existing settlements, without assistance or mana from central government.

A new regime for compensating landowners for planning impacts on property value.

21. The Planning Bill creates a new duty on councils to compensate landowners in some fashion for losses in property value due to plan rules in some circumstances:

    a. Where rules "severely impair the reasonable use of land" (not defined);

    b. Where rules have a "significant impact on the reasonable use of land" (also not defined), where the rules relate to heritage, outstanding natural landscapes and features, sites of significance to Māori, and protecting high natural character in waterbody margins.

22. This is a significant departure from the RMA, which not only explicitly states councils have no duty to compensate property owners for impacts on land value, but also outright forbids even considering impacts on land value in decision-making.

23. Council would be responsible for developing a "relief policy" to provide compensation to affected property owners. This could be in the form of rates reductions, removing or reducing other rules that would otherwise apply, waiving consent fees, gifting land, or outright payment in cash. Council would decide the nature and level of compensation, but this could be challenged and overridden in the Environment Court.

24. The Bill is unclear about what scale of compensation is required. While it is possible that an approach similar to Council's current fee waiver for heritage buildings would suffice, nothing in the Bill rules out the idea that the courts could require 100% cash compensation for any loss in property value. Given the scale of existing rules for heritage and landscapes, this could conceivably be in the order of hundreds of thousands of dollars for each of over a thousand properties – a total cost to ratepayers in the hundreds of millions. Council would need to decide whether to impose rules first, before knowing for sure what level of compensation is required.

25. Council could also be required to pay compensation even when Council is required to impose the relevant rules by central government in the first place.

26. There are significant technical problems with the regime that officers recommend Council submit on. Council could also consider taking a stance for or against the concept itself – either asking for a compensation regime with the issues fixed, or against the idea of mandatory compensation in the first place. (Option E).

Various structural and technical issues.

27. Officers have identified a number of non-controversial procedural issues – these are set out in the draft submission.

An aggressive timeline and costly transition process.

28. The timeline and sequence of events identified by central government shown below is likely unworkable, and we recommend advocating for a more realistic timeline. While not necessarily something that can be addressed in the Bill, we also suggest reminding Parliament of the costs this transition will impose on local government, particularly in the context of proposed cap on rates.

Diagram – Ministry for the Environment.

The need for adequate resourcing by central government.

29. The wider resource management reforms would result in central government being responsible for developing more extensive and detailed national direction and would result in greater Ministerial involvement in plan making. While not within scope of the Bill, it is worth reminding government of the need for adequate resourcing of the Ministry for the Environment (soon to be the Ministry of Cities, Environment, Regions and Transport) to implement the new system and the risks for councils if this does not happen.

Options

30. The Subcommittee's decision is whether to submit to the Parliamentary select committee considering the Bills and the content of that submission.

31. A draft submission is attached as Appendix 1. The submission focuses on the Planning Bill (which is most relevant for Council's existing and proposed functions) rather than the Natural Environment Bill (which is more relevant for regional councils).

32. The deadline for submissions is 13 February at 4.30pm. Given the short time to write further content the attached draft includes some options the Subcommittee might want to consider, based on Council's currently in forced plans, policies, and strategies. Officers have prepared various options to choose from based on the Subcommittee's political assessment:

    a. **Option A:** Whether to support or oppose the reforms as a whole, or remain neutral:

        i. A1: Remain neutral on reforms;

        ii. A2: Disagree with reforms; and

        iii. A3: Agree with reforms.

    b. **Option B:** Whether to voice support for the submissions of the Greater Wellington Regional Council and Taituarā (which for example generally present a much more detailed case strongly in opposition to the weakening of the Treaty obligations and climate mitigation goals).

        i. B1: Voice support; and

        ii. B2: Remain silent.

    c. **Option C:** Whether to advocate for a stronger Treaty clause in the Bill to require decision-makers to take into account the principles of the Treaty in all decision-making:

        i. C1: Advocate for a stronger Treaty clause; and

        ii. C2: Remain silent.

    d. **Option D:** Whether to advocate for the retention of formal arrangements for plan-making and power-sharing for iwi, such as Joint Management Agreements, delegations of powers, and Mana Whakahono a Rohe (iwi participation arrangements).

        i. D1: Advocate for retaining these tools; and

        ii. D2: Remain silent.

e. **Option E:** Whether to express a philosophical, in-principle support or objection to the compensation regime for landowners.

   i. E1: Oppose the compensation scheme in its entirety on principle supported by feedback on technical issues;

   ii. E2: Support the compensation scheme in principle while giving feedback on technical issues; and

   iii. E3: Do not express an overall view on the compensation scheme while giving feedback on technical issues.

33. These are all solely political decisions, and officers will not recommend any particular option. Officers can provide advice during the meeting on factors the Subcommittee might consider when choosing between the options.

34. Council would likely be invited to briefly appear before the select committee to present in person (Council could send officers, some elected members, or both) and answer questions from MPs, and so would have the opportunity to make a further case on particular issues raised in its submission.

Climate Change Impact and Considerations

35. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.

36. There are no climate considerations relevant to this decision. The climate impacts of the Bills themselves are addressed in the Discussion section.

Consultation

37. In preparing the submission, officers have met with and considered the views of mana whenua and other local authorities in the region, and read the draft submission and considered the views of Taituarā.

Legal Considerations

38. There are no legal considerations relevant to this decision.

Financial Considerations

39. There are no financial considerations relevant to this decision. The financial impacts of the Bills themselves are addressed in the Discussion section.

Appendices

No.	Title	Page
1	Draft submission	12
2	Resource management reforms LGNZ explainer	29

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Reviewed By: Tim Johnstone, Head of Planning
Approved By: Jon Kingsbury, Director Economy & Development

Submission of Hutt City Council to the Environment Committee on the Planning Bill and Natural Environment Bill (DRAFT)

About us

3. Hutt City Council is the territorial authority covering the City of Lower Hutt, and is home to around 114,000 residents. Council has significant responsibilities under both the existing resource management system and that proposed by the Bills, and for Council, effectively using this system is critical to achieving our community's desired outcomes for the built and natural environment.
4. Accordingly, we welcome the opportunity to submit on the Bills and share our experience and concerns with how the Bills will affect both our community and us as an organisation.
5. We would appreciate the opportunity to speak to our submission.
6. We have prepared our submission with an eye to the submissions being made by other councils and organisations in the region and mana whenua. We have focussed this document on issues where we think Hutt City Council has a distinct experience or point of view.
7. (Option A1) We agree that there are significant issues with the existing resource management system. While we broadly agree with direction of reform, there are significant practical issues with implementation that we wish to call attention to.
8. (Option A2) We disagree with the general direction of the proposed reforms and believe the proposed system needs to be completely reconsidered. If Parliament is nonetheless of a mind to proceed, we wish to draw attention to some significant practical issues with implementation.
9. (Option A3) We agree that there are significant issues with the existing resource management system. While we are neutral overall with regards to

the direction of reform, there are significant practical issues with implementation that we wish to call attention to.

10. Hutt City Council, like most territorial authorities, is in the midst of a significant workload implementing other current or upcoming government reforms. In addition to multiple phases of RMA changes and suites of national direction, councils are facing significant expense and challenge managing the transition to the new water model, emergency management system, and pressure for potential structural change or amalgamation.
11. Hutt City Council is committed to a partnership approach with mana whenua in our district, as set out in our Te Herenga Kairangi / Māori Strategy which seeks to go above and beyond statutory requirements for recognition of Te Tiriti o Waitangi and to support and enhance positive outcomes for Māori. This has included using and relying on provisions of the Resource Management Act that recognise and protect Māori interests in environmental resources and Māori participation in resource management planning processes. We seek to continue this partnership in the new planning system, including in parts of the system not under HCC's direct control.
12. Hutt City Council is home to the country's most populated flood plain and what will in the coming decades be some of the most significantly at-risk areas from coastal natural hazards. The inevitable impacts of climate change on natural hazards are a critical issue for our city to manage, and accordingly we have an obligation to demonstrate doing our part in attempting to mitigate the emissions driving climate change.
13. Hutt City Council like other local authorities is also facing a likely significantly increased workload and financial burden from emergency management reforms.
14. This submission contains first some high-level feedback on the proposal, and then more detailed feedback on individual parts of the Planning Bill. Given that territorial authorities will not be leading implementation of the Natural Environment Bill we have not provided detailed feedback on that bill. (Option B) We do however support the submissions of the Greater Wellington Regional Council and Taituarā which discuss the Natural Environment Bill and the connection between the two bills in more detail.

Discussion

Implementation timeline

15. The implementation timeline proposed for the Planning Bill is unworkable and will not be met. Councils, central government, and the wider planning sector

cannot deliver what is demanded in the timeframe set out in the Bill. In an effort to meet these timelines there is a high risk that the first two rounds of national direction and the first generation of plans will be poor quality, deliver subpar environmental and development outcomes, and needlessly increase the cost of the transition itself as well as compliance and consenting costs.

16. This is exacerbated by the significant volume of interim and transitional changes to the RMA, both in the form of national direction issued in the last few years and the RMA amendments in the Planning Bill.
17. Constant change in the policy environment is a bad thing. Certainty about national direction enables councils to commit to longer term planning, reporting, engagement, and high-quality technical work. Certainty about environmental standards makes consistent monitoring possible. Certainty about the policy environment is needed to give developers and infrastructure providers confidence to invest in major projects.
18. The bills also set out that regional spatial plans will need to give effect to national direction that will not be finalised under after the regional spatial plans have been prepared. This is obviously unworkable and will require the regional spatial plans (and lower-level plans) to be immediately and wastefully redone after the first generation of plans is complete.
19. Higher quality planning will be done when each step in the "funnel" has received definitive, lasting outcomes from the step before. Accordingly, the implementation timetable needs to allow each step some time to consider the results of the previous step prior to notifying a new plan.

Resourcing and connection with other systems

20. Hutt City Council is in the final stages of a district plan review which has so far cost $5.3 million, or nearly $130 per household. This is not including the cost of formal hearings which are yet to happen. Under the proposed new system, HCC will need to immediately repeat this exercise. There may be some cost savings from reusing existing technical reports (such as natural hazard modelling) but other work will likely need to be completely redone in line with the national direction required by the Planning Bill, and so it is likely the cost will be similar. HCC will also need to participate in and pay a share of the cost of a regional spatial plan.
21. Government is considering rates caps, and in any case, HCC wants to take every effort to keep rates down. Parliament should be mindful of the costs of the new system and resource the forthcoming Ministry of Cities, Environment, Regions and Transport ("MCERT") adequately to avoid unnecessary costs falling by default on councils. Key aspects are:

a. Timely provision of new national direction.

b. Allowing councils the flexibility to reuse existing technical work where possible, even when this may not meet the exact requirements of the new national direction.

c. Ensuring central government takes the burden of regulatory relief for rules whenever the Planning Bill requires councils to impose them and do not have a choice to not impose the rule instead.

d. Ensuring the cost of regulatory relief is not excessive for councils in other situations.

e. Minimising process and overhead.

22. The Planning Bill considerably increases the decision-making role of the Minister in the new system. The recent Plan Stop process is a good preview of the sheer volume of decisions this will require the Minister to make, and thus the Ministry to provide advice on. This can be aided by both addressing current short-staffing and increasing resourcing to match to additional workload, so that the Ministry can quickly make high-quality decisions and recommendations in the many areas the Planning Bill grants decision-making power to the Minister.

23. The process for setting up and resourcing spatial plan committees is complicated and will require substantial negotiation between councils at both levels and central government. This will add cost and time and encourage politicking, and in any case the body will lack accountability and a mandate to hold member councils to its decisions. Councils will be hesitant to grant powers to a body that could dictate Council decisions in future Long-Term Plans.

24. Regional spatial plans are also intended to inform Long Term Plans and councils need to consider spatial plans in LTP decision-making. However, in practice, individual councils are not actually committed to spending money and may not be able to fund projects, may not agree with the spending decisions implied in the regional spatial plan, or may change priorities after elections. It would better reflect the responsibilities of councils under the system for the regional spatial plan, instead, to give effect to existing Long Term Plans.

Financial Contributions

25. The Planning Bill removes the provision for financial contributions made by the RMA. While the Development Contributions system is partially due to be replaced with the Development Levies scheme (see also the submission of Taituarā on that), there is a potential gap for financial contributions in the

interim between the RMA and Development Levies scheme. Hutt City Council relies on financial contributions for funding parks and reserves and unplanned infrastructure. Especially in an environment of rates caps, HCC needs the ability to ensure that growth pays for growth-related costs.

System Goals

26. The planning bill sets out a number of goals but does not set out their relative importance. While it provides for national direction to set out how these values are to be traded off, we think for the planning system to be effective and avoid frequent flip-flops and inconsistency, there should be as far as possible a political consensus and statutory recognition about the relative importance of the goals.

27. The goals of the new system do not include mitigation of climate change. This is a critical environmental issue. While the resource management system plays a supporting role to the Emissions Trading Scheme, there are still a wide range of planning decisions that indirectly affect greenhouse gas emissions, including particularly the shaping of urban form and the transport network. The Climate Change Response Act and its Emissions Reduction Plan envisage a significant role for the planning system in mitigation, as provided for in the Resource Management Act.

Māori Participation and Interests

28. The Planning Bill would eliminate the RMA's requirement that decision-makers take into account the principles of the Treaty of Waitangi, and provides for "the relationship of Māori and their culture, and traditions with their ancestral lands, water, sites, wāhi tapu, and taonga" as a matter of the highest national importance. This would in the new system be removed in favour of limited opportunities for consultation and providing for Māori interests as one of a large number of unprioritized goals.

29. The Planning Bill also leaves a short transition period for altering existing Treaty settlements to take account of the new system, with no incentive for either side to reach a quick settlement, after which the problem would be essentially handed over the local government. Local government would be tasked with unilaterally substituting its own rewriting of Treaty settlements for the actual agreement reached by iwi and the Crown and ratified by Parliament.

30. It is unrealistic to think that the Treaty can be compartmentalised to limited aspects of the system, or that the Crown can abdicate its central role as a Treaty partner. It cuts against decades of settled law on which existing treaty settlements are based, and future settlement negotiations are likely to

revolve around. It is also an abdication of the Crown and Parliament's role to attempt to delegate the renegotiation of treaty settlements to local government. The Crown and Parliament must remain involved until a genuine agreement is reached for all settlements in a region covered by a regional spatial plan.

31. The Planning Bill continues to provide for Māori participation in the development of national direction, regional spatial planning, and natural environment and land use plans. However, the direction for decision-makers to advance the results of this participation is weaker, and in some cases non-existent. For Council, this risks planning done in partnership with iwi being undone later in the process by commissioners or the Environment Court.

32. (Option C) The Expert Advisory Group recommended retaining the RMA's approach to the Treaty and Māori interests, on the basis that the relationship and kinship connections of Māori with the environment is fundamental to the Māori worldview that underpins the guarantees and protections of the Treaty, and that as this has been partly delegated to local government, that delegation should ensure those obligations are upheld. We seek that a general obligation to give effect to the Treaty remain.

33. (Option D) The Planning Bill also removes formal arrangements for plan-making and power-sharing such as Joint Management Agreements, transfers of powers, and Mana Whakahono a Rohe. Hutt City Council does not participate in any such arrangements at present but wishes to keep these tools open for our mana whenua partners in future.

Scope of the system

34. The Planning Bill has a more limited definition of "effects" than the Resource Management Act. While some of these changes will help avoid relitigating settled issues or duplicating matters better handled under different regulatory regimes, some of the changes leave the potential to remove the council's ability to control effects in situations where the controls are well established and desired by the community:

    a. Removing "the external layout of buildings on a site" would remove the council's control over aspects of design that influence things such as traffic safety, Crime Prevention through Environmental Design, and bulk and location controls designed to protect the privacy of neighbours.

    b. Removing "the visual amenity of a use … in relation to its appearance" is something the Council supports and has tried to provide for in its Proposed District Plan. However, removing aesthetic considerations from non-residential activities can undermine generally popular

controls that aim to enhance the attractiveness of city and local centres, screen unsightly services such as refuse collection, and limit councils' ability to control advertising in residential areas.

35. In addition, some of these effects are still within the scope of council bylaw making powers, and so would encourage the same controls to be re-enacted as bylaws, undermining the integration of the planning system.

36. Other parts are vague, and liable to produce extensive time and resource spent in court producing case law defining the edges of the system:

    a. "Retail distribution effects" is not defined and is not a sufficiently commonly used term of art.

    b. "The type of residential use" is not defined in the legislation, and definitions that might provide clarity (e.g. in the current national planning standards) can't inform the meaning in the context of legislation. Our assumption is that this is intended to not discriminate between different tenures of homes (rental, owner-occupied, state housing), different formats (attached or detached), different sizes (e.g. number of bedrooms), and different arrangements of shared facilities (e.g. apartments versus bedsits or boarding houses), and if so, is supported by HCC.

    c. "The effect of setting a precedent" is difficult to separate from the concept of managing cumulative effects, recognised in the Planning Bill, and the general principle of natural justice of fairness and impartiality, which implies that cases that are alike should be treated alike.

Compensation regime

37. The Planning Bill proposes a regime of mandatory compensation for the effects of some planning decisions on property values. This is an extremely novel approach for the planning system, which has previously operated on the basis that effects on property values are not an environmental effect, and are not to even be considered, let alone compensated for. It is uncommon internationally, and uncommon in other regulatory domains in New Zealand.

38. (Option E1) Hutt Council Council believes that the Resource Management Act was right to exclude property values from the planning system, and opposes the regulatory relief scheme in the Bill. The scheme in s85 of the Resource Management Act limiting rules that would render land "incapable of reasonable use" is sufficient to prevent rules from unreasonably preventing land from being used.

39. (Option E2) – Hutt City Council supports in principle this new approach to compensating for the financial impacts on property owners of planning rules, but seeks that the substantial flaws in the proposal must be fixed to make it workable.

40. (Option E3) – [Do not comment on the scheme in principle].

41. Councils including Hutt City have sometimes provided voluntary incentive or support schemes to acknowledge that burdens of complying with the resource management systems can be significant, but this has been a gesture of goodwill usually in the form of contestable grants or resource consent fee waivers, and likely not ever approached a 100% monetary compensation for assessed value.

42. Hutt City Council, like other territorial authorities, regularly gets submissions and correspondence asking for compensation for all manner of council decisions that landowners think may have an effect on their property value, as well as arguing for or against planning decisions on the basis of their effect on property value. Codifying regulatory compensation in the system will encourage the expansion of effects on property value being considered.

43. The proposed system is poorly structured, leading to deep uncertainty about how far councils will be expected to go, leading to councils being deterred from taking regulatory action even in situations where the Planning Bill would expect them to act. It also has the potential for significant unexpected costs for councils, in an environment of limited resources and proposed rates caps.

44. It is worth considering the potential scale of this compensation. The Planning Bill envisages one approach as being handing over cash to landowners. While the Bill does not propose an approach that this be 100% of the assessed impact on property value, it also does not preclude the courts taking such an approach and imposing it on councils. For restrictions that could apply to thousands of properties and have an impact possibly in the hundreds of thousands of dollars per property this is the potential for an unplanned expense of hundreds of millions of dollars, which would need to be paid for in rates of the order of tens of thousands of dollars per ratepayer. The impact on Council's finances and credit rating, and on ratepayers, would be devastating.

45. It is also unclear how Councils are expected to respond to the contradiction between the Bill on the one hand, *requiring* that councils take regulatory action to protect heritage, sites of significance to Māori, landscapes, and natural character, while on the other hand mandating that councils compensate landowners for having done what the Bill requires them to do. To the extent the regulatory relief scheme compensates landowners for

advancing goals set by central government, central government should pay for it.

46. Also, despite the description of the regulatory relief scheme in the introduction to the Bill, the text as proposed does not limit the scheme to heritage, sites of significance to Māori, landscapes, and natural character. This restriction applies only to the framework determined by council and challenges to the Planning Tribunal. The Environment Court is empowered to order compensation for any type of rule. The potential of needing to compensate any landowner for any impact on property values for any potential planning decision would be an impossible financial risk and paralyse Council's decision-making, preventing implementation of the system.

Structural and technical issues

47. The Planning Bill sets out the resource consent process in less detail than in the Resource Management Act. This is a positive in some ways, as the process changed regularly under the RMA and having details about, for example, starting and stopping the clock in regulations. However, there is no requirement that such regulations be issued and the timeline as proposed is unworkable – we recommend some changes so that the system is coherent in the interim.

48. One change from the RMA is the new suite of activity statuses, and the change in structure so that activities are no longer permitted by a rule, but by the absence of a rule. This is a positive change in general as it is consistent with the general scheme of New Zealand legislation that everything is allowed unless there is a rule against it. The RMA did not comply with this principle, and this has caused endless structural and interpretation problems.

49. However, one side effect of this is the two types of "permitted" activity – there are both activities permitted subject to a rule, that need to be registered with the council, and those permitted by default because there is no applicable rule. However, these are both termed "permitted activity" throughout the Bill, which is liable to cause confusion and councils inventing their own terminology to tell the two apart (such as "registered permitted" and "unregistered permitted" activities).

50. Hutt City Council also supports the ability for resource consents to update land use plans, where anticipated by the land use plan, which will be useful in, for example, staged greenfield developments, where land can be "live zoned" in steps as different conditions of the consents are met.

Recommendations

Implementation timeline

51. Allow at least 12 months after the first **and second** packages of national direction, including nationally set environmental limits, for notification of Regional Spatial Plans.

52. Allow at least 12 months from the decisions on Regional Spatial Plans before notification of natural environment plans and land use plans.

Resourcing and connection with other systems

53. Work with local government to develop realistic estimates of implementation costs and regulatory relief costs and develop a funding plan.

54. Set out in legislation the membership of spatial planning committees, including being proportional to population, and provide that spatial planning committees have final decision-making power on Regional Spatial Plans

55. Require Regional Spatial Plans to reflect Long Term Plans, rather than the other way around

Financial Contributions

56. Retain financial contributions from the RMA at least as an interim measure, and ensure that Development Levies allow at least the same level of cost recovery.

System Goals

57. Set out the system goals in clause 11 in terms of their relative importance (e.g. in groups), consistent with the approach in the Resource Management Act.

58. Add, as one of the highest-level goals, the mitigation of climate change.

Māori Participation and Interests

59. In clauses 9 and 10, retain Parliament and the Crown as responsible for interpretation and negotiation with iwi for how treaty settlements relating to the RMA will be transitioned to the new planning system.

60. Remove the two-year time limit and retain the transition period (in relation to a particular region) until all treaty settlement changes in that region have been agreed.

61. Require decision-makers to have regard to iwi authority planning documents and Mana Whakahono a Rohe.

62. Require engagement, rather than consultation, with iwi and hapū in developing national direction, regional spatial plans, and natural environment and land use plans.

63. (Option C) Retain a general obligation to take into account the principles of the Treaty of Waitangi.

64. (Option D) Retain the option for councils and iwi to enter into Joint Management Agreements, transfers of powers, and Mana Whakahono o Rohe.

Scope of the system

65. Retain some aspects of the scope of the RMA in the scope of effects covered by the system in clause 14:

    a. Allow consideration of non-aesthetic effects of the external layout of buildings on a site, such as safety, wayfinding, and protection of corridors for services.

    b. Allow consideration of visual amenity in commercial areas and for other aspects that are not related to the design of private homes, such as signage, waste and servicing.

66. Clarify some limitations on effects:

    a. Provide a definition of "retail distribution effects"

    b. Provide a definition of "the type of residential use"

    c. Remove the limitation on "the effect of setting a precedent".

Compensation regime

67. (Option E1) Remove the proposed regulatory relief scheme and leave regulatory relief to a voluntary decision for councils and their communities under the Local Government Act, as at present.

68. Provide that, where council chooses against imposing a specified rule, but that rule is imposed anyway by independent commissioners, the Planning Tribunal, or the Environment Courts, that any resulting regulatory relief is at the expense of central government.

69. Give councils the final opportunity to withdraw rules that would leave them liable for compensation, rather than be forced to both continue with the rule and compensation.

70. Remove the ability of the Environment Court (clause 105) to order compensation where the severe impairment is not caused by a specified rule. Preferably, remove the role of the Environment Court in the compensation scheme altogether and retain the financial decision with councils.

71. Define clearly what is meant by a "significant impact" and "severe impairment" of the reasonable use of land, including guidance and examples.
72. Set out specifically what scale of relief is expected for particular types of rules, in particular make it clear that councils are not expected to provide 100% cash compensation for assessed impacts on property values.

Structural and technical issues

73. Provide default rules for when the resource consent clock starts and stops, including stopping for incomplete applications where council is waiting on the applicant. As written, the Bill places a definite timeline on Councils when the progress of the application is not within their control – when the application is incomplete or requires further information, Council cannot cancel or reject the application, cannot force the applicant to act, and yet the clock still ticks. The Bill should:
    a. Provide for timeframes to pause while waiting for the applicant to respond to the first request for further information.
    b. Provide for the consent to be eventually rejected if the council is waiting for further information that does not arrive.
74. Separate permitted activities subject to rules, and permitted activities not subject to rules, as two separate activity statuses, for clarity. We recommend permitted activities not subject to rules retain the name "permitted", for consistency with existing practice, and make permitted activities subject to rules known as "registered activities", "controlled activities", or some other similar term.
75. Retain the provision for resource consents to alter land use plans where this is anticipated by the land use plan.

Clause by clause recommendations – Planning Bill

Provision	Feedback
cl3 - Interpretation	Provide definitions of "the type of residential use", "retail distribution effects", and in relation to the

Provision	Feedback
	regulatory relief system, "significant impact", "severe impairment", and "reasonable use of land". Provide a definition for another activity status, e.g. "registered activity" or "controlled activity", to differentiate permitted activities subject to rules from those that are not, and accordingly define "permitted activity" as an activity not subject to any rule.
cl8 – Treaty of Waitangi / Tiriti o Waitangi	TBD – based on options
cl9 - Crown to seek to enter agreements to uphold Treaty settlement redress or arrangements	Remove the two-year time limit and retain the transitional period until changes to settlements are agreed between iwi and the Crown.
cl10 - Treaty redress or arrangements to be given same or equivalent effect	Provide that the RMA continues to apply as necessary to treaty settlements until the transition in s9 is complete.
cl11 - Goals	Set out the relative importance of the goals. Provide for the mitigation of climate change and achieving the 2050 target in the Climate Change Response Act as a goal at the topmost level of importance.
cl14 - Effects outside the scope of this Act	Allow consideration of non-aesthetic effects of the external layout of buildings on a site, such as safety, wayfinding, and protection of corridors for services. Allow consideration of visual amenity in commercial areas and for other aspects that are not related to the

Provision	Feedback
	design of private homes, such as signage, waste and servicing. Remove the limitation on "the effect of setting a precedent". Clarify which situations are covered by "any matter where the land use effects of an activity are dealt with under other legislation", particularly how this applies to: • Situations where the other legislation makes it optional whether to use that power, for example offensive trades under the Health Act • Situations where other legislation would be better suited to deal with that matter, but has deliberately chosen not to, for example disability access to residential units under the Building Act • Situations where the same topic matter is regulated for different reasons, for example noise insulation under the Building Act (for intertenancy noise) versus under the RMA (for external noise)
cls30-32, 38	Provide for another activity status, e.g. "registered activity" or "controlled activity", to replace permitted activity rules and so differentiate permitted activities subject to rules from those that are not.
cl40 - Relationship between national rules and plan rules	As written this section does not seem to allow for a national rule to allow a plan rule to be more enabling by permitting the activity without conditions (i.e. a permitted activity with no rule). Amend to provide that plans can, where the national direction allows for this, override a national rule with having no rule.
cl45 - Matters to consider when making national instrument	In subsection (2)(c) provide which goals should always be achieved and which sometimes need not be achieved.

Provision	Feedback
cl105 - Environment Court may give directions in respect of land subject to controls	TBD – based on options
cl115 - Consent authority may return incomplete application	We support the extension of the timeline for rejecting incomplete consents to 10 days. Consenting workloads are highly dynamic and it is often not practical to assess consents for completeness before starting the notification and substantive assessments.
cl117 – Consent processing time frames	Provide for the same excluded time periods as in the RMA ss88C-88I, such as time waiting for an applicant to furnish required extra information or where an applicant refuses to pay administrative charges. Time should also be excluded for new situations provided for in the Bill that mean councils are waiting on an applicant, such as waiting for an applicant to review draft conditions under cl152.
cl177 - Consent authority may treat certain activities as permitted activities	The Bill should include a term for activities treated as permitted activities. This could possibly be the same as our suggestion for a new term for permitted activities subject to rules, e.g. a registered activity or a controlled activity.
Schedule 1 – Part 1	Provide a power to extend the timeframes for any part of the transition by Order in Council. Provide for the transition period to last until all Treaty settlement redress is renegotiated. Change the deadline for notification of regional spatial plans to be 1 year after all of the first national policy direction, the national standards, and environmental limits are issued.

Provision	Feedback
	Change the deadline for notification of natural environment plans and land use plans to be 1 year after regional spatial plans are issued (rather than 9 months).
Schedule 2	Provide that a regional spatial plan may not include an infrastructure project or other project for which a local authority would have financial responsibility without that local authority's consent.
Schedule 3 – Part 1 - cl20	This limits the ability of people to make further submission if they are not qualifying residents even if they do have a genuine interest in the plan greater than the general public – e.g. landowners in adjoining districts who would be affected by activities within the district, organisations or industries who may be singled out by provisions sought in a submission, nationwide organisations, or organisations who do not currently operate in a district but whose ability to expand into it would be affected. People with an interest in the plan greater than the general public should not need to also meet the test of being a qualifying resident.
Schedule 3 – Part 4	TBD – based on options
Schedule 11 – amendments to RMA s104	See our recommendations on the scope of the system for the Planning Bill. In addition, if these effects are to be disregarded for a s104 decision they should also be disregarded for the purposes of the notification test, or you could end up with the perverse result of a consent needing to be notified due to an effect covered by these exclusions and then no meaningful case could be brought in the hearing.

Provision	Feedback
Schedule 11 – Part 4	Missing some interaction with the RMA in other legislation, e.g. in s54(7) of the Health Act 1956 and s15 of the Prostitution Reform Act 2003.

Resource management reform explainer

Background

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

As part of its manifesto and Coalition agreement commitments, the Government is designing a new resource management system predicated on the enjoyment of property rights that will be more permissive of development within defined environmental limits. As an interim step, it is also making targeted changes to the current Resource Management Act while the new system is designed.

These are major reforms and will have significant implications for both the responsibilities of councils and the structure of local government itself. This in part is the reason for government's recently released *Simplifying Local Government* proposal.

Local government is at the coalface of resource management, and has a range of responsibilities it must meet under the Resource Management Act, which it does through the preparation of plans and policy statements. Regional councils and territorial authorities have different responsibilities which you can find more out about here.

Key issues and reforms underway

Development of new legislation

The Government is currently drafting legislation that will replace the Resource Management Act, and this will be introduced before Christmas. Two pieces of legislation are being drafted:

- a Planning Act focused on regulating the use, development and enjoyment of land; and
- a Natural Environment Act focused on the use, protection and enhancement of the natural environment.

This builds on the work of an Expert Advisory Group, which was tasked with providing a "blueprint" for new legislation, which it delivered to ministers late last year. You can find a more detailed explanation of the new legislation in our explainer here.

Development of new national direction

In parallel with developing new legislation, the Government is developing a suite of new and amended national direction covering a wide range of policy areas. This is in effect both an interim improvement and a step towards a new system. These changes will be implemented ahead of the new legislation (except for the Going for Housing Growth proposals) but be transitioned into the new system as well.

There are four national direction packages in total that were consulted on this year:

1. infrastructure and development
2. primary sector
3. freshwater
4. Going for Housing Growth

The Government initially expected to have these packages in place by the end of this year, however this now appears to have been delayed due to work on the replacement system for the RMA.

New institutional arrangements to support the legislation

As part of the reforms, the Government has decided to make changes to the institutional arrangements that support the resource management system. This includes establishing a new centralised environmental regulator and a planning tribunal. These changes are outlined in our explainer. It is also considering changes to the structure of local government, as detailed in their recently released *Simplifying Local Government* proposal.

How the reforms will affect councils

From what we know about the reforms so far, there will be big changes to the roles and responsibilities of both territorial authorities and regional councils within the resource management system. Greater standardisation, national direction, and centralisation have all been signalled by the Government.

We expect there to be less discretion for councils in plan making, with greater standardisation across the board. Standardised zoning is emblematic of this: councils will be required to choose from a list of preset zones rather than design bespoke options (as they currently do). There will be limited opportunity to deviate from standardised zones where local conditions necessitate this.

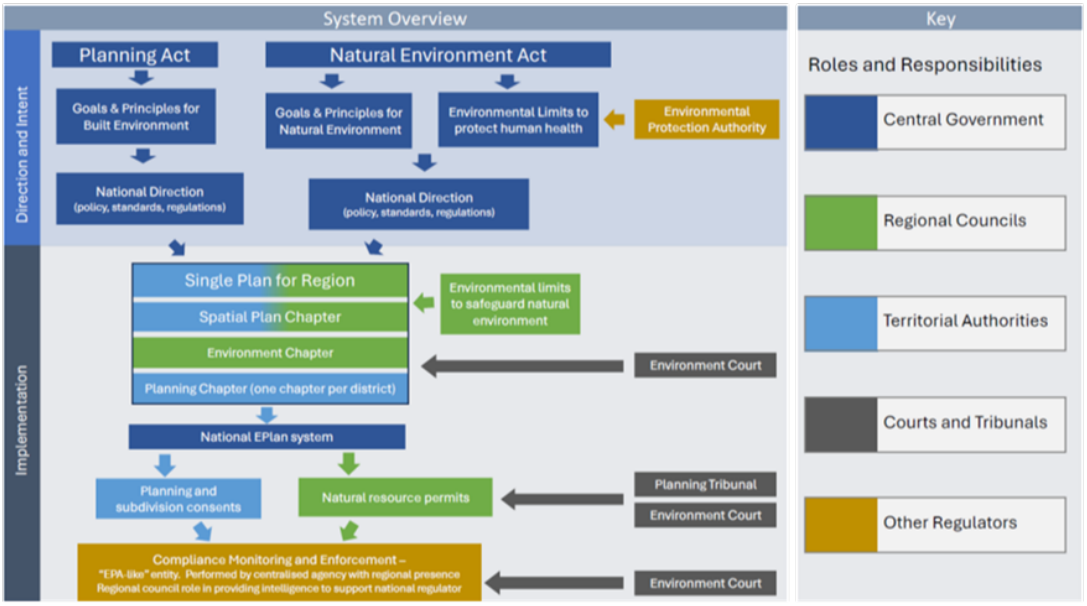
Councils will be required to collaborate to produce a single plan per region, with individual planning chapters for each district. A spatial plan will also be included. See figure 1 below for more detail.

Fewer activities will require a resource consent. This reflects both the narrowed scope of the system and an intention to shift away from consenting before works are undertaken to strengthened monitoring after the fact.

The Government has signalled there will be a significant reduction, if not complete removal, of the compliance, monitoring, and enforcement functions of regional councils. Much of these responsibilities are likely to be transferred to a central regulator with a 'regional presence', though the design of these arrangements is on a slower track than the drafting of the new legislation.

Given these changes, the Government has moved to suspend requirements for plan changes by councils while the reforms are progressed.

Fig. 1



LGNZ's position and what we've been doing

LGNZ supports resource management reform. We want to see an enduring solution that will maintain local input into planning decisions, improve the delivery of infrastructure, and protect the environment.

We've done extensive work on both the current and previous government's reforms, including:

- Working with Ministry for the Environment officials to provide local government views and expertise during policy design;
- Meeting regularly with RM Reform Minister Chris Bishop and Undersecretary Simon Court;
- Submitting on consultation documents and legislation;
- Giving members opportunities to learn more and give their views about the reform process; and
- Providing a local government voice in the media on resource management issues.

After engagement with members we laid out some high-level principles for what local government needs from the new system to inform our future advocacy. These are:

1. Deliver a durable system with broad support that gets housing and infrastructure built while protecting and restoring our environment.
2. Involve local government in the design of the parts of the system they'll be expected to implement, particularly: Standardised zones and the "safety valves" allowing for local variation to standardisation, Environmental limits and allocation processes, and other roles and responsibilities.
3. Ensure local communities can input into local planning and environmental decision making as and when suitable, and allow for councils to act in the public good in tackling complex issues with widespread effects.
4. Ensure any new checks on council decision-making are proportionate and avoid excessive transaction costs and litigation.
5. Provide for effective spatial planning that better aligns infrastructure planning with funding and financing.
6. Provide certainty on local government's future structure and functions.

Further reading

LGNZ key issues for councils: Resource Management

Blueprint for Resource Management Reform (Expert Advisory Group report)

Ministry for the Environment RM reform web page

Chris Bishop's and Simon Court's speeches to the NZ Planning Institute Conference

Cabinet paper and minute outlining Cabinet decisions on the design of the replacement system

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

Key milestones


December 2025 - Replacement RMA legislation (the Planning Bill, and the Natural Environments Bill) expected to be introduced
Late 2025/Early 2026 - Opportunity to make submissions on replacement legislation during select committee legislation
Mid/Late 2026 - Replacement legislation expected to be passed into law
Direction development
Mid 2027 - Implementation of new system by local government:
Development of regional plans