

Select Committee recommendations on the Planning Bill and Natural Environment Bill – Implications for Councils

On 20 July 2026, the Select Committee released its recommendations on the Planning Bill (PB) and Natural Environment Bill (NEB). If enacted, the Bills would significantly reshape the way Councils plan for, regulate and make decisions about land use and the natural environment.

The recommendations come at a time when local authorities are already facing significant reform. Alongside the proposed reorganisation of local government, including the “headstart proposals” already underway, councils will also need to prepare for new regional spatial planning requirements. Regional Spatial Plans will need to be notified within 21 months after the Bills receive Royal assent, which is likely to be around mid-2028 if the Bills progress as currently expected. For councils not subject to the “backstop process”, local government reorganisation may not yet have occurred by then.

1. Regulatory Relief

The regulatory relief framework remains one of the most significant proposed changes for councils. Despite strong opposition from submitters, the Select Committee has recommended retaining the framework in largely the same form.

In January this year, we set out in our [article](#) the proposed regulatory relief system and its potential impacts on councils in a previous article. The Committee’s recommendations do not fundamentally alter that system, but they do clarify some aspects of how it would operate.

The framework would require councils to consider whether particular planning rules have a significant adverse impact on the reasonable use of private land. If that threshold is met, councils may need to provide some form of relief to compensate landowners.

The Select Committee has recommended several changes to clarify the threshold for relief. These include replicating the definition of “reasonable use”, from PB and NEB with minor changes to reflect the different context and replacing references to “materiality” with “significant”. The Committee has also recommended removing references to “enjoyment”, so the focus remains on reasonable use of land.

One notable change is the Committee’s recommendation to combine the topics of terrestrial indigenous biodiversity and significant natural areas into a single category: “terrestrial indigenous biodiversity to the extent it relates to an identified area”. This recommendation appears to respond to concerns that the regulatory relief regime could deter councils from recognising and protecting indigenous biodiversity.

For councils, the key point is that rules relating to specified topics may need to be assessed not only on their planning or environmental merits, but also by reference to their impact on individual landowners and the Council’s financial headroom (if any) to fund “regulatory relief”.

The Committee also considered concerns that the relief framework could have retrospective effect during the transition to the new planning system. It concluded that regulatory relief would only be available where existing restrictions on the specified topics are carried through into a new plan. In other words, the relief would arise under the new planning framework, rather than retrospectively under existing RMA plans.

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A landowner is not intended to be eligible for relief if they have already received compensation relating to a substantially similar rule. The Committee also recommended clarifying that eligibility may arise in response to each specified rule, as well as from the cumulative impact of multiple specified rules in a plan applying to the same land.

The potential cost for councils remains uncertain and potentially significant. The Committee noted advice that the nationwide cost of regulatory relief could range from approximately \$7 million to \$1.99 billion, with much of that cost likely to arise during the transition period. This is an extremely wide and uncertain impact.

2. Plan Making

The Bills would introduce a more structured and time-focused plan-making system. Councils would continue to prepare and change plans, but the process would be more constrained and more closely linked to regional spatial planning and national direction.

In response to concerns from councils and planning practitioners, the Select Committee has recommended extending the overall transition period by nine months, from 30 months to 39 months. Even with that extension, the timeframe remains ambitious.

The Committee has also recommended setting out expectations for a region-by-region transition if that becomes necessary. This is intended to avoid the entire new planning system being held up if some regions are not ready to transition at the same time as others.

Under the new system, councils would be able to update Land Use Plans and Natural Environment Plans to reflect changes in Regional Spatial Plans or to give effect to national instruments. Plan

changes would generally follow the same process as developing a plan.

There are four types of plan changes:

- council-initiated plan changes, used when a council needs to change a plan to reflect national instruments or local changes;
- private plan changes, used when a person requests a plan change;
- future plan provisions, which would enable land or land-use changes to occur in the future without a formal plan change; and
- plan change with planning consent, which would allow an applicant to seek the application of standardised plan provisions through a consent application.

The Committee has recommended limiting further submissions to bespoke provisions only. This would respond to concerns about the cost and limited value of further submissions and make them more targeted.

Local authorities would still decide how requested plan changes proceed, but the grounds for rejection would be narrowed so most requests are assessed on their merits. The Committee also recommended reducing the period for rejecting requests relating to recently introduced provisions from two years to 12 months, reflecting the intended faster plan-making process.

3. Consenting

The PB and NEB distinguish between consenting and permitting. Under the PB, land use is generally permitted unless restricted by a rule, so consent is required where an activity contravenes a rule. Under the NEB, use of natural resources is generally restricted unless expressly allowed, so a permit is required unless a rule provides otherwise.

The Bills would set statutory processing timeframes for consents and permits, with regulations able to prescribe shorter periods. Applicants could seek Planning Tribunal review of processing decisions and appeal decisions to the Environment Court.

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PB consents would generally have unlimited duration. NEB permits would be unlimited for land use and coastal reclamation, 50 years for certain structures, and 35 years for other activities.

4. Transitional Consenting Framework

PB Schedule 11, Part 2 would introduce a transitional consenting framework through RMA amendments, starting one month after Royal assent. The framework would apply new procedural principles, exclude certain effects from consideration, allow transitional national rules to affect RMA consenting, require decision makers to consider regional spatial plans, and remove the special circumstances test for notification. In practice, consent decision makers would be required at this time to disregard effects that would be out of scope under the new system.

Key Changes

Since our January article, the Select Committee has recommended changes that clarify, but do not fundamentally alter, the direction of the reforms. The key developments are:

- regulatory relief remains a significant feature of the new system, although some eligibility and threshold issues have been clarified;
- the transition period has been extended from 30 to 39 months;
- further detail has been added on Regional Spatial Plans, including timing, committee membership and review obligations;
- plan-making processes are more detailed and process-focused;
- the consenting regime is now more clearly distinguished between PB consents and NEB permits; and

- a transitional consenting framework would apply shortly after Royal assent.

Want to know more?

For further detail on other aspects of the reforms that may be relevant to your business, please refer to our related articles.

If you have any questions about the new Planning Bill or the Natural Environment Bill, please contact our specialist [Environment and Planning team](#).