

Property Council New Zealand

Submission to the Ministry for the Environment on National Direction Package 1: Infrastructure and Development and National Direction Package 2: Primary Sector

25 July 2025

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Ministry for the Environment
Via online: environment.govt.nz

Submission to the Ministry for the Environment on National Direction Package 1: Infrastructure and Development and National Direction Package 2: Primary Sector.

1. Summary

1.1. Property Council New Zealand (“Property Council”) welcomes the opportunity to submit to the Ministry for the Environment on:

- National Direction Package 1: Infrastructure and Development **(from page 3)**. Specifically, this submission discusses Property Council’s position on the National Policy Statement for Infrastructure (NPS-I) and National Policy Statement for Natural Hazards (NPS-NH).
- National Direction Package 2: Primary Sector **(from page 16)**. Specifically, this submission discusses Property Council’s position on the National Policy Statement on Highly Productive Land (NPS-HPL).

2. Recommendations

2.1. Recommendations are listed at the end of each section with a full list of our recommendations in Appendix 1.

3. Introduction

- 3.1. Property Council is the leading not-for-profit advocate for New Zealand’s most significant industry, property. Our organisational purpose is, “Together, shaping cities where communities thrive.”
- 3.2. The property sector shapes New Zealand’s social, economic, and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional, and sustainable built environment. We aim to enable opportunities to build sustainable and resilient communities, capable of meeting future needs.
- 3.3. Property is New Zealand’s largest industry and fastest growing source of employment. There are nearly \$2.2 trillion in property assets nationwide, with property providing a direct contribution to GDP of \$50.2 billion (15 per cent) and employment for 235,030 New Zealanders every year.
- 3.4. Property Council is the collective voice of the property industry. We connect over 10,000 property professionals and represent the interests of over 550 member organisations across the private, public, and charitable sectors.

- 3.5. Property Council's submission provides feedback on [National Direction Package 1: Infrastructure and Development](#) and [National Direction Package 2: Primary Sector](#). Comments and recommendations are provided on issues relevant to Property Council's members.

National Direction Package 1: Infrastructure and Development

National Policy Statement for Infrastructure (NPS-I)

4. General Comments

National Infrastructure Plan

- 4.1. The NPS-I does not make any reference to the future National Infrastructure Plan, which is an oversight. To ensure alignment between national and local planning, we recommend that the NPS-I should include a requirement for decision-makers to "have regard to" the National Infrastructure Plan. This would help ensure that nationally identified infrastructure needs and priorities are appropriately considered and translated into spatial plans.

5. Definitions

Definition 1: Decision-maker

- 5.1. The NPS-I defines a "decision-maker" as "any person making a planning decision under the Act". Property Council is concerned that this definition is too broad and risks undermining the efficiency it seeks to promote. This is because those who make planning decisions under the Act can range from Ministers to local authorities, to individual planners, without distinguishing their specific roles or responsibilities. This lack of clarity can lead to inconsistent implementation and procedural inefficiency.
- 5.2. If the intention is to enable infrastructure more effectively, the definition should place greater emphasis on those with responsibility for implementing it, beginning with local authorities at the strategic level, followed by planners who carry out those directions through planning and consenting processes under the Resource Management Act 1991 ("RMA"). Consideration should also be given to the role of developers, who are ultimately responsible for delivering much of the infrastructure on the ground. Their involvement and alignment with planning objectives are essential for achieving the intended outcomes of the NPS-I.
- 5.3. Property Council recommends that the term "decision-maker" be more clearly defined to ensure that the appropriate people are making decisions and enabling the intended outcomes under the NPS-I.

Definition 7: Infrastructure and Definition 1: Additional Infrastructure

- 5.4. The NPS-I adopts the definition of “infrastructure” as set out in the RMA and expands on it to explicitly include social infrastructure.
- 5.5. While Property Council supports the inclusion of social infrastructure in the definition, we recommend establishing an infrastructure hierarchy that prioritises linear infrastructure—such as grids, key corridors, airports, and designated sites, followed by social infrastructure. Social infrastructure is typically more adaptable in location and can follow once essential networks are in place. A clearer hierarchy which separates essential, fixed infrastructure from more flexible social infrastructure would allow more targeted and practical policy application.
- 5.6. Property Council also recommends that the NPS-I include clear direction on how decision-makers are to address situations where one piece of infrastructure may compromise another, along with guidance on how such conflicts should be managed and resolved. Clear direction is essential to support consistent and effective decision-making.

6. NPS-I OB1: Objective

- 6.1. The NPS-I’s objective currently makes no reference to supporting economic activity or productivity, despite this being a key outcome that planning decisions should help achieve. Enabling economic growth is a fundamental benefit of infrastructure, and we recommend that this be explicitly recognised within the objective to ensure it reflects the full scope of infrastructure’s role and impact.
- 6.2. Property Council also recommends that the objective explicitly recognise the importance of maintaining existing infrastructure. The National Infrastructure Plan highlights this issue, noting that the OECD ranks New Zealand “fourth to last for asset management governance for infrastructure, relative to our peers”.¹
- 6.3. A concern for Property Council members is that local infrastructure is often under-maintained, which can be linked to local government funding constraints. Looking after existing assets ensures we maximise value from them and supports the long-term sustainability of our infrastructure.

7. NPS-I Policy 1: Providing for the benefits of infrastructure

- 7.1. The intent of this policy is to recognise and enable all the benefits (including national benefits) of infrastructure and adequately weigh these up relative to local adverse effects.
- 7.2. Our members are concerned that this policy is overly detailed and prescriptive. We are concerned that it attempts to encompass too many elements within a single policy, essentially a “kitchen sink” approach. This contrasts sharply with other National Policy

¹ [Draft National Infrastructure Plan, published by the New Zealand Infrastructure Commission/Te Waihangā](#)

Statements, where policies and objectives are drafted more succinctly and clearly, allowing for easier interpretation and application.

- 7.3. Policy 1(1)(a) refers to planning decisions recognising and providing for the benefit of infrastructure. This includes providing for the well-being of future generations. We recommend that this be amended to include both “current and future generations” to reflect the challenges communities face and the need for infrastructure to support well-being right now, as well as in the future.

8. NPS-I Policy 2: Operational need or functional need of infrastructure to be in particular environments

- 8.1. The intent of this policy is to ensure resource management decisions recognise that infrastructure may need to be located in particular environments on account of its function or operational needs.
- 8.2. Property Council is concerned that Policy 2 conflicts with Policy 8 which explicitly requires that environmental values are recognised and provided for when making planning decisions. The proposed policy, as currently drafted, could be interpreted as requiring consent authorities to enable infrastructure in any location if an operational or functional need is demonstrated, without equivalent weight given to environmental outcomes. There needs to be a more balanced approach, one that supports pathways to remedying and mitigating environmental effects, rather than defaulting to avoidance. Our members have seen this become the norm, which is significantly constraining the delivery of new and replacement infrastructure.
- 8.3. We recommend including guidance or criteria within the NPS-I to assist decision-makers when balancing infrastructure needs with environmental values when conflicts arise. We suggest looking at the Auckland Unitary Plan (Chapter B3.2 Infrastructure) to see how this similar conflict is managed.

9. NPS-I Policy 3: Consider spatial planning

- 9.1. Property Council supports spatial planning. Spatial planning is a critical tool for guiding where and how future development and infrastructure should occur. It provides greater certainty to the development sector, ensures efficient and timely delivery of essential services such as transport, education, and supports more integrated, strategic decision-making.
- 9.2. Policy 3 requires decision-makers to have regard to spatial plans, including future development strategies, in protecting and enabling new infrastructure. Property Council is concerned that Policy 3 does not require decision-makers to give effect or have regard to the National Infrastructure Plan. Given that the National Infrastructure Plan outlines the country’s long-term, nationally significant infrastructure priorities, it should guide spatial planning decisions alongside local and regional plans.

9.3. We recommend Policy 3 require decision makers give effect to the National Infrastructure Plan to ensure that infrastructure planning is coordinated and consistent across New Zealand.

10. NPS-I Policy 4: Enabling the efficient and timely operation and delivery of infrastructure activities

10.1. We are concerned that Policy 4 does not clearly define who is responsible for decisions relating to the efficient and timely operation and delivery of infrastructure activities. This lack of clarity is problematic, as successful delivery largely depends on the expertise, funding, and management of the infrastructure providers, not on planners or consent authorities. It is essential that decision-making responsibilities are allocated to those with the appropriate expertise and mandate.

10.2. We recommend that the wording be clearer to reflect this i.e. that local authorities give effect to the policy direction, while implementation should be carried out by the appropriate entities—such as planners, developers, consent authorities, and infrastructure providers.

Business case methodology

10.3. Policy 4(2)(c) requires decision makers, when making planning decisions on infrastructure activities, to “utilise existing information and assessments undertaken by the infrastructure provider, including, for example, information prepared using the better business case methodology for the Commerce Commission, infrastructure strategies prepared under the Local Government Act 2002, or the infrastructure priorities programme”. Property Council is mindful there could be practical concerns with this.

10.4. Business cases and other strategic documents are often prepared well in advance as part of long-term planning processes and may not be readily accessible to planners or consent authorities at the time decisions need to be made. Additionally, some business cases contain commercially sensitive information and are not publicly disclosed until formal resource consents or designations are submitted.

10.5. This lack of transparency and timing mismatch means that decision-makers may not have the full or current information necessary to properly assess infrastructure proposals. As a result, Policy 4 places unrealistic demands on decision-makers to rely on documents that may be unavailable, incomplete, or difficult to understand, potentially undermining the effectiveness and fairness of the planning process.

10.6. We recommend that the NPS-I include guidance or criteria to help decision-makers determine how to assess and compare the quality of available information sources and clarify what should take precedence when conflicting information exists.

11. NPS-I Policy 6: Assessing and managing the effects of proposed infrastructure activities on the environment

11.1. Property Council considers that assessing and managing the environmental effects of proposed infrastructure activities is primarily the role of the overarching resource management legislation, not the function of a National Policy Statement. Policy 6 should provide strategic direction but avoid duplicating or pre-empting processes already set out in legislation, particularly as the Government progresses its Phase 3 resource management reforms. These reforms are expected to focus on streamlining consenting and refining how environmental effects are assessed and managed.

12. NPS-I Policy 7: Operation, maintenance and minor upgrade of existing infrastructure

12.1. Policy 7 requires planning decisions to enable the efficient operation, maintenance and minor upgrade of existing infrastructure in all environments and locations, provided that adverse effects are avoided where practicable, remedied where practicable, or mitigated where practicable. Where existing infrastructure is located in existing easements then there should be little-to-no scope for having to avoid, remedy or mitigate adverse effects. For example, any inhabitant species should be re-located without lengthy process if they became inhabitants within a legal easement after the original infrastructure was installed.

12.2. We are concerned that the wording is contradictory because it requires decision-makers to avoid adverse effects on the environment when making planning decisions “where practicable”. We recommend that Policy 7 provide clearer guidance on how adverse effects are to be avoided, remedied, or mitigated “where practicable,” as the current wording creates ambiguity and may undermine the policy’s purpose of enabling infrastructure.

13. NPS-I Policy 9: Planning for and managing the interface and compatibility of infrastructure with other activities

13.1. Policy 9 currently assumes infrastructure and other activities, like housing, are incompatible, which risks unnecessary conflict. Instead, infrastructure providers and developers should work collaboratively through spatial planning. The focus should be on accepting and managing an appropriate level of “tension” between uses, rather than trying to eliminate all effects, which consenting processes already address.

14. NPS-I Policy 10: Assessing and managing the interface between infrastructure activities

14.1. Policy 10 intends to provide additional direction on how to assess the effects that infrastructure has on other activities and people.

14.2. We note the potential challenges with Policy 10(1)(c). In cases where planned infrastructure (like a new road) may not be built for decades, and adjacent development

(like housing) is also not yet in place, it's unclear who is responsible for managing potential adverse effects such as noise. Policy 10 assumes the new activity bears responsibility, but in practice, when both the infrastructure and sensitive activity are in early planning stages, it's difficult to determine how and when mitigation should occur, and who should pay. This creates uncertainty for both infrastructure providers and developers and may lead to disputes or inconsistent outcomes.

- 14.3. When assessing and managing the interface between infrastructure activities and other land uses, we recommend that this be addressed early through collaboration between infrastructure providers and developers and embedded within the spatial planning process. By addressing potential interface issues such as noise, reverse sensitivity, and timing of development, during the preparation of spatial plans, parties can clarify responsibilities, reduce uncertainty, and ensure that mitigation measures are planned and funded appropriately. This early engagement also creates an opportunity to proactively manage tensions whilst identifying mutual benefits across traditionally conflicting uses.

NPS-I: Recommendations

- A. We recommend that the NPS-I clearly require decision-makers to “have regard” to the National Infrastructure Plan.
- B. We recommend that the term “decision-maker” be more clearly defined to ensure that the right people are making decisions and enabling the intended outcomes under the NPS-I.
- C. We recommend that the NPS-I establish an infrastructure hierarchy that prioritises linear infrastructure, followed by social infrastructure.
- D. We recommend that the NPS-I include clear direction on how to address situations where one piece of infrastructure may compromise the function or development of another, along with guidance on how such conflicts should be assessed, managed, and resolved to support integrated and efficient outcomes.
- E. We recommend that the NPS-I’s objective explicitly reference the role of infrastructure in supporting economic activity and productivity.
- F. We recommend that the objective explicitly recognise the value of maintaining and optimising existing infrastructure, not just enabling new infrastructure.

- G. We recommend that Policy 1(1)(a), which refers to providing for the well-being of future generations, be amended to also include “current” generations.
- H. We recommend including guidance or criteria within the NPS-I to assist decision-makers in balancing infrastructure needs with environmental values when conflicts arise.
- I. We recommend clarifying Policy 4 to ensure that local authorities are responsible for enforcing policy direction, while implementation is led by the entities best equipped to manage infrastructure delivery.
- J. We recommend that the NPS-I include guidance or criteria to help decision-makers determine how to assess and compare the quality of different information sources and clarify what should take precedence when conflicting information exists.
- K. We recommend that Policy 7 provide clearer guidance on how adverse effects are to be avoided, remedied, or mitigated "where practicable," as the current wording creates ambiguity and may undermine the policy’s purpose of enabling infrastructure.
- L. We recommend early and coordinated engagement between infrastructure providers and developers be embedded in the spatial planning process to properly assess and manage the interface between infrastructure activities.

National Policy Statement for Natural Hazards (NPS-NH)

15. General Comments

- 15.1. Property Council supports the introduction of the NPS-NH as an important step toward a more consistent and proactive approach to managing natural hazard risk across New Zealand. Recent natural disasters including major flood events and cyclones, have highlighted the urgent need for a nationally coordinated framework that ensures risks are identified early, assessed consistently, and addressed through appropriate planning responses.
- 15.2. Natural hazard risk does not need to mean development cannot occur. With the right planning tools and mitigation measures in place, housing and infrastructure can be delivered safely, even in areas subject to certain natural hazards.
- 15.3. Property Council recommends refinements to the current NPS-NH to ensure it enables development where risk can be appropriately managed, while maintaining alignment with safety and compliance requirements.
- 15.4. Furthermore, Property Council recommends that the NPS-NH needs to be fully operative before any consent applications are subject to natural hazards plan changes

16. Definitions

D2: New Development

- 16.1. The NPS-NH is proposed to cover “new development” which will include “the extension or replacement of existing buildings and structures”.
- 16.2. Having the NPS-NH apply to the extension or replacement of existing buildings and structures will create huge uncertainty in the market and will impact confidence of international investors. We recommend this be removed from the definition or at least clarified that “replacement” means full replacement/rebuild of a building/structure, not maintenance/upgrades that replace part of a building/structure.

17. NPS-NH OB1: Objective

- 17.1. We are concerned that the proposed objective does not provide sufficient clarity on how decision-makers should apply a risk-based approach or proportionately manage natural hazard risks. In practice, we are seeing some local authorities adopt overly cautious or extreme interpretations of risk, which can lead to unnecessary delays, added costs, and restrictions on otherwise appropriate development. Without clear direction, there is a risk that the objective will be inconsistently applied and undermine development certainty.
- 17.2. It is essential that the objective in the NPS-NH is supported by clear, specific, and prescriptive guidance on how councils are expected to assess and manage natural hazard risks. This will ensure a consistent and nationally coherent approach, rather than

leaving outcomes to the discretion or risk appetite of individual council officers. Embedding this clarity in the objective itself is crucial to ensure that the policy intent is implemented consistently across all regions.

18. NPS-NH Policy 1: Risk Assessment

18.1. The NPS-NH requires local authorities to consider standard components for natural hazard risk assessments to have within their plans or undertake as part of the consenting processes.

18.2. Property Council supports the inclusion of standardised natural hazard risk assessments as a foundation for local authorities, as this will help ensure consistency and clarity in how risks are identified and managed across regions. For example, in areas like the Waikato where more than 10 territorial authorities operate, a standardised approach would promote alignment and reduce duplication.

18.3. However, while the intent is supported, careful implementation is essential to ensure that the framework remains flexible enough to account for local context, avoids unnecessary burden on councils or applicants, and supports proportionate risk management in both planning and consenting processes.

19. Risk matrix

Figure 1: Definitions of risk based on standardised definitions of likelihood and consequence

		Likelihood level						
		Almost certain	Very likely	Likely	Possible	Unlikely	Rare	Very rare
ARI (years)		up to 10	10–20	20–50	50–100	100–500	500–5,000	> 5,000
AEP		10% or more	10% to 5%	5% to 2%	2% to 1%	1% to 0.2%	0.2% to 0.02%	< 0.02%
Consequence level	Catastrophic	Very high	Very high	Very high	High	Medium	Medium	Medium
	Major	Very high	Very high	High	High	Medium	Medium	Medium
	Moderate	High	High	High	Medium	Medium	Low	Low
	Minor	Medium	Medium	Medium	Medium	Low	Low	Low
	Negligible	Low	Low	Low	Low	Low	Low	Low

Note: ARI = Average recurrence interval; AEP = Annual exceedance probability.

Source: Ministry for the Environment:2025

- 19.1. The risk matrix presented in Figure 1, based on standardised definitions of likelihood and consequence, is a central tool in implementing the NPS-NH. While it is important to ensure development avoids unacceptable risk from natural hazards, the matrix in its current form is overly cautious and lacks the flexibility to account for mitigation measures that are often standard in modern development.
- 19.2. Property Council is concerned that rigid application risks severely limiting urban development and housing supply, even where development can occur safely through appropriate design and planning.

Treatment of Low-Likelihood, high consequence events

- 19.3. The matrix places disproportionate weight on the consequence of a hazard event, even when the likelihood is extremely low. For example: A 10% AEP event (recurring on average every 10 years) with catastrophic consequences is classed as very high risk, meaning development must generally be avoided unless the risk can be reduced. Meanwhile, a 1-in-1,000-year event AEP < 0.1%) that is also catastrophic still results in a medium risk classification, which the NPS-NH defines as significant and therefore requires avoidance or extensive mitigation.
- 19.4. This approach treats both frequent and incredibly rare events with similar caution, which is not proportionate and does not reflect the actual level of threat posed to new development — especially if mitigation can substantially reduce risk exposure.

Mitigation pathways are not adequately considered

- 19.5. One of the most significant limitations of the current matrix is its failure to incorporate or account for mitigation measures in a systematic way. In practice, many consents involving natural hazard risk already rely on applicants demonstrating how risk will be reduced or managed, for example, by establishing evacuation plans. This is a well-established planning solution, but the risk matrix treats consequences as fixed and does not account for how risk can be reduced.
- 19.6. Property Council recommends the NPS-NH include a separate policy that requires consent authorities to explicitly assess available mitigation options when determining risk levels. This would allow decision-makers to account for context and site-specific design responses, encourage innovation in hazard-resilient development and prevent unnecessary blanket restrictions that disregard practical solutions.

Definition of “significant risk”

- 19.7. We propose raising the threshold for what qualifies as ‘significant risk’ under the NPS-NH. The current inclusion of “medium” risk in this category is problematic as it is overly restrictive. Medium risk, by definition, involves either lower consequence events that are more likely, or high consequence events that are highly unlikely. Treating this level

of risk as warranting the same policy response as “high” or “very high” risks is disproportionate.

- 19.8. Furthermore, when assessing what constitutes “significant risk,” we recommend that decision-makers engage with the private sector early in the process to better understand the local context. The private sector often holds up-to-date data and modelling that could be leveraged to inform decision-making and avoid unnecessary duplication of work.

Future Projection timeframes (within the Risk Matrix)

- 19.9. The projection timeframes set out in the matrix are overly extensive i.e. 5,000 years into the future. This is not practical. A 100-year horizon is more in line with industry standards for insurance, the economic life of buildings and housing and other risk assessments. We recommend reducing the maximum matrix future projection timeframe from 5,000 years to 100 years.

20. NPS-NH Policy 3: Proportionate management

- 20.1. Local authorities must proportionately manage natural hazard risk, including significant risk, when making planning decisions and consenting decisions on new subdivision, use and development, based on the level of natural hazard risk.
- 20.2. While Property Council supports this in principle, we are concerned that the lack of clarity around what “proportionate” means in practice may lead to legal uncertainty and inconsistency in how the NPS-NH is applied across regions.
- 20.3. We recommend that this be clarified to provide guidance on how decision-makers are expected to assess and proportionately manage natural hazard risks. This will ensure a consistent and nationally coherent approach, rather than leaving outcomes to the discretion or risk appetite of individual council officers.

21. NPS-NH Policy 4: Best available information

- 21.1. Under the NPS-NH, local authorities must use best available information when making planning decisions managing natural hazard risk.
- 21.2. While we support Policy 4 in principle, it raises important practical and legal questions about how local authorities determine what qualifies as the “best available” information.
- 21.3. In many cases, local authorities rely on hazard maps or modelling that are embedded in the statutory framework i.e. regional or district plans, regional policy statements etc. However, this information may be outdated, based on high-level assumptions, or less reliable than more recent scientific or technical reports prepared outside the statutory process.

21.4. Without clear guidance, there is a real risk of inconsistency between councils, and uncertainty for applicants. We recommend that the NPS-NH include guidance or criteria to help decision-makers determine how to assess and compare the quality of different information sources and clarify what should take precedence when conflicting information exists.

22. NPS-NH Policy 5: Significant risk from natural hazards not exacerbated on other sites

22.1. We are concerned about the inclusion of Policy 5, as the underlying principle is already well established under the RMA. It has the potential to impose an additional layer of regulation that duplicates current legal requirements and provides yet another reason for decision-makers to decline new development, even when existing frameworks already require applicants to demonstrate that adverse effects on neighbouring properties will be avoided or mitigated.

22.2. Property Council recommends the removal of this policy.

NPS-NH: Recommendations

- M. We recommend that the NPS-NH exclude extensions and partial replacements from its scope or clarify that “replacement” refers only to full rebuilds.
- N. We recommend including a separate policy within the NPS-NH that directs decision-makers to assess and weigh available mitigation options as part of determining risk levels.
- O. We recommend raising the threshold for what qualifies as “significant risk” under the NPS-NH.
- P. We recommend that when assessing what constitutes “significant risk,” decision makers engage with the private sector early in the process to better understand the local context.
- Q. We recommend limiting the planning and risk assessment horizon to 100 years, consistent with industry standards for insurance and infrastructure.
- R. We recommend that “Proportionate management” be clarified to provide guidance on how decision-makers are expected to assess and proportionately manage natural hazard risks.

- S. We recommend that the NPS-NH include criteria or guidance for how local authorities should assess the quality of information sources, especially where non-statutory technical reports may be more accurate or current than existing statutory data.
- T. We recommend the removal of Policy 5.

23. Final thoughts – National Direction Package 1: Infrastructure and Development

- 23.1. Property Council thanks the Ministry for the Environment for the opportunity to submit on National Direction Package 1: Infrastructure and Development.
- 23.2. While we support the introduction of both the NPS-I and NPS-NH as two critical parts of the planning system that currently lack national-level guidance, we believe significant changes are needed to ensure they are effective, balanced, and practical.
- 23.3. In particular, the NPS-I needs to be more concise and outcomes-focused. As it stands, the provisions introduce an overly complex set of criteria and procedural requirements that risk adding unnecessary red tape to development processes, without necessarily improving environmental or planning outcomes.
- 23.4. The NPS-NH will have immediate and far-reaching impacts on resource consent decisions and plan-making, including private plan changes. It is essential that this direction is clear, proportionate, and allows for the consideration of mitigation measures, rather than acting as a blunt constraint on development.

National Direction Package 2: Primary Sector
National Policy Statement for Highly Productive Land (NPS-HPL)

24. NPS-HPL: Removing LUC 3 land

24.1. Property Council supports the removal of LUC 3 land from NPS-HPL restrictions, as it allows greater flexibility to meet housing and infrastructure demands. We appreciate MfE's recognition of the development constraints this classification has created.

24.2. We also recommend that this change must be reflected immediately in planning decisions and not delayed until councils update their plans.

Reconsidering NPS-HPL Restrictions on LUC 3 Land for Urban and Lifestyle Development

24.3. We recommend that the restrictions on LUC 3 land be removed for both urban development and rural lifestyle development and be done so with immediate legal effect when legislation is passed. Property Council also recommends that these restrictions be removed for subdivision activities.

24.4. While we acknowledge the intention behind protecting highly productive land, the current approach creates an inconsistent framework where some types of development are permitted, and others are not, particularly when it comes to urban housing.

24.5. Trying to differentiate between acceptable and unacceptable development types on LUC Class 3 land would require councils to develop and implement complex criteria, leading to delays, inconsistency, and overcomplication. Given varying resource capacities across councils, there is a risk of inconsistent application. Without clear guidance, this complexity and uncertainty could potentially affect timely decision-making, which in turn may impact housing supply and planning confidence.

24.6. A simpler, more consistent approach would be to remove the restrictions for both urban and rural lifestyle development, allowing for more flexibility while still enabling councils to manage land use through their broader strategic planning frameworks.

Should NPS-HPL Exemptions for LUC 3 Land Should Apply to Both Council-Led and Private Plan Changes for Urban Rezoning?

24.7. We recommend that NPS-HPL exemptions for LUC 3 Land apply to both council-led and private plan changes. Limiting the exemption to council-led urban rezoning creates an unnecessarily narrow pathway that will do little to meaningfully enable development. In reality, landowners and developers often pursue private plan changes or consents to intensify land use, especially where council-led processes are slow or infrequent.

Extend the exemption to consenting processes

24.8. Limiting the NPS-HPL exemption to rezoning processes ignores how development often requires resource consents before zoning is finalised. For example, if a developer is

progressing a private plan change but also requires consents in the interim (e.g. for earthworks), they would still be constrained by the LUC classification unless it had already been rezoned. This defeats the purpose of enabling timely, integrated development.

24.9. To be effective, the exemption should not be tied to a single planning process. Instead, it should apply more broadly to all relevant planning and consenting decisions, regardless of whether they originate from a council-led or private process. This would reduce complexity, increase consistency, and provide a more meaningful uplift in development potential.

24.10. Property Council recommends that the exemption should also apply to consenting processes, regardless of whether the planning pathway is council or privately led.

25. NPS-HPL: Retaining LUC 1 and LUC 2 land

LUC 1 and LUC 2 land

25.1. Property Council supports retaining protections for LUC 1 and LUC 2 land. These classifications represent New Zealand's most highly productive soils, and it is important to have a framework in place to safeguard this land for future primary production.

25.2. However, we recommend introducing a nationally consistent minimum size threshold for applying these protections, to ensure they are used in a way that is both practical and proportionate.

25.3. In some cases, small parcels of LUC 1 or LUC 2 land are effectively unproductive due to practical constraints, such as the unavailability of water consents. Without adequate irrigation, these lands cannot support meaningful agricultural production. Despite this, applying restrictive overlays based solely on land classification can make the land unsuitable for farming while also unnecessarily limiting alternative development opportunities, leading to underutilisation.

25.4. Another example we have seen is where highly productive land is already subdivided into small lifestyle blocks e.g. 10 hectares but is not productive and is caught by NPS-HPL restrictions.

25.5. A minimum lot size threshold would help prevent a blanket rule that unintentionally limits the use of small pieces of land. Applying this consistently across the country would provide greater certainty for landowners and developers while avoiding regional disparities in implementation.

25.6. We have seen this issue further exacerbated by the removal of rural residential zones in some regions. For example, Selwyn District Council previously had rural residential zoning, but this was recently removed under their District Plan review. This has led to land that is no longer viable for farming, due to water access constraints, soil degradation, or zoning restrictions, and is left in regulatory limbo. It is neither farmable

nor developable. In some instances, land better suited for rural lifestyle or infill development is locked up, while less suitable land is allowed to proceed, purely because of zoning boundaries or outdated mapping.

26. NPS-HPL: Special Agriculture Areas (SAA)

- 26.1. We support the intention to limit development in areas genuinely needed for food production; however, we have concerns about how the new category of SAAs will be implemented.
- 26.2. Without a clear definition or criteria in the NPS-HPL, there is a real risk that local councils could use SAAs to reimpose restrictions on LUC 3 land, undermining the Government's objectives to increase housing supply. We recommend that the policy set a high threshold for what qualifies as an SAA, including requirements for national or regional significance, and should not be left open-ended.
- 26.3. It is also unclear how SAAs will be applied during the interim period before national mapping is completed. For example, it is unclear how large, designated areas like Pukekohe will be identified, and who will be responsible for determining their extent. There must be strong guidance on the purpose, scale, and justification for SAAs, as well as a transparent process for identifying future SAA. Without this, there is a risk of overreach by councils, with overlays applied inappropriately to less productive land.
- 26.4. We recommend that the NPS-HPL clearly outline who is responsible for mapping SAAs, the criteria for designation, and the governance process to ensure they are applied consistently and in line with national housing and development priorities.

27. NPS-HPL: Mapping of highly productive land

- 27.1. Property Council recommends that the timeframe for mapping highly productive land be retained, with completion by October 2025. Local authorities have had since 2022 to undertake this work, and the proposed removal of LUC 3 land is likely to simplify the task by reducing the number of classifications to consider. Extending the timeframe or suspending mapping altogether, would only prolong uncertainty for the market. Clear and timely direction is critical to support confidence in investment, planning, and development decisions.
- 27.2. We also note the importance of landowners being given genuine opportunity to provide input during the mapping process for LUC 1 and LUC 2 land classifications. Landowners possess detailed knowledge of their properties that is essential to ensure mapping is accurate, contextually relevant, and reflective of actual land use and condition.

28. Final thoughts – National Direction Package 2: Primary Sector

- 28.1. Property Council thanks the Ministry for the Environment for the opportunity to submit on National Direction Package 2: Primary Sector, specifically in response to the NPS-HPL.

28.2. We support the removal of LUC 3 restrictions and appreciate the MfE's recognition of this. However, we are concerned that the new SAA category looks to replace LUC 3 and may be subject to extension, meaning the underlying issues remain unresolved. We recommend strict guidance for SAAs is established to remedy our concerns. We also recommend that the timeframe for mapping highly productive land continues until the deadline in October 2025.

NPS-HPL: Recommendations

- U. We recommend that the restrictions on LUC 3 land be removed immediately in planning decisions and not delayed until local councils update their plans;
- V. We recommend that the restrictions on LUC 3 land be removed for urban development and rural lifestyle development, as well as subdivision activities, with immediate legal effect;
- W. We recommend that an exemption for LUC 3 land from NPS-HPL restrictions apply to both council-led and private plan changes, as well as to consenting decisions;
- X. We recommend that a nationally consistent minimum lot size threshold on LUC 1 and LUC 2 land be introduced;
- Y. We recommend that the NPS-HPL clearly outline who is responsible for mapping SAAs, the criteria for designation, and the governance process to ensure they are applied consistently and in line with national housing and development priorities; and
- Z. We recommend that the timeframe for mapping highly productive land be retained, with completion by October 2025.

Conclusion

28.3. Property Council thanks the Ministry for the Environment for the opportunity to submit on National Direction Package 1: Infrastructure and Development and National Direction Package 2: Primary Sector.

28.4. Overall, the national policy statements within these packages represent a positive step forward. However, further refinement is needed to ensure they are practical to implement, support development where risks can be appropriately managed, and promote consistency without hindering growth or imposing undue compliance burdens.

28.5. For further enquiries, please do not hesitate to contact Sandamali Ambepitiya, Senior Advocacy Advisor, via email: sandamali@propertynz.co.nz.

Yours Sincerely,



Leonie Freeman

CEO Property Council New Zealand

Appendix 1

Full list of recommendations

National Policy Statement for Infrastructure

Property Council recommends that:

- A. The NPS-I clearly require decision-makers to “have regard” to the National Infrastructure Plan.
- B. The term “decision-maker” be more clearly defined to ensure that the right people are making decisions and enabling the intended outcomes under the NPS-I.
- C. The NPS-I establish an infrastructure hierarchy that prioritises linear infrastructure, followed by social infrastructure.
- D. The NPS-I include clear direction on how to address situations where one piece of infrastructure may compromise the function or development of another, along with guidance on how such conflicts should be assessed, managed, and resolved to support integrated and efficient outcomes.
- E. The NPS-I’s objective explicitly references the role of infrastructure in supporting economic activity and productivity.
- F. The NPS-I objective explicitly recognise the value of maintaining and optimising existing infrastructure, not just enabling new infrastructure.
- G. Policy 1(1)(a), which refers to providing for the well-being of future generations, be amended to also include “current” generations.
- H. The NPS-I include guidance or criteria within the NPS-I to assist decision-makers in balancing infrastructure needs with environmental values when conflicts arise.
- I. Policy 4 should be clarified to ensure that local authorities are responsible for enforcing policy direction, while implementation is led by the entities best equipped to manage infrastructure delivery.
- J. The NPS-I include guidance or criteria to help decision-makers determine how to assess and compare the quality of different information sources and clarify what should take precedence when conflicting information exists.
- K. Policy 7 provide clearer guidance on how adverse effects are to be avoided, remedied, or mitigated "where practicable," as the current wording creates ambiguity and may undermine the policy’s purpose of enabling infrastructure.

- L. Early and coordinated engagement between infrastructure providers and developers be embedded in the spatial planning process to properly assess and manage the interface between infrastructure activities.

National Policy Statement for Natural Hazards

Property Council recommends that:

- M. The NPS-NH exclude extensions and partial replacements from its scope or at least clarify that “replacement” refers only to full rebuilds.
- N. The NPS-NH should create a separate policy which directs decision-makers to assess and weigh available mitigation options as part of determining risk levels.
- O. The threshold for what qualifies as “significant risk” is raised under the NPS-NH.
- P. We recommend that when assessing what constitutes “significant risk,” decision makers engage with the private sector early in the process to better understand the local context.
- Q. The planning and risk assessment horizon for the risk matrix is limited to 100 years, consistent with industry standards for insurance and infrastructure.
- R. We recommend that “Proportionate management” be clarified to provide guidance on how decision-makers are expected to assess and proportionately manage natural hazard risks.
- S. The NPS-NH include criteria or guidance for how local authorities should assess the quality of information sources, especially where non-statutory technical reports may be more accurate or current than existing statutory data.
- T. Policy 5 be removed.

National Policy Statement for Highly Productive Land

Property Council recommends that:

- U. We recommend that the restrictions on LUC 3 land be removed immediately in planning decisions and not delayed until local councils update their plans;
- V. We recommend that the restrictions on LUC 3 land be removed for urban development and rural lifestyle development, as well as subdivision activities, with immediate legal effect;
- W. We recommend that an exemption for LUC 3 land from NPS-HPL restrictions apply to both council-led and private plan changes, as well as to consenting decisions;

- X. We recommend that a nationally consistent minimum lot size threshold on LUC 1 and LUC 2 land be introduced;
- Y. We recommend that the NPS-HPL clearly outline who is responsible for mapping SAAs, the criteria for designation, and the governance process to ensure they are applied consistently and in line with national housing and development priorities; and
- Z. We recommend that the timeframe for mapping highly productive land be retained, with completion by October 2025.