

## **Property Council New Zealand**

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# **Submission to the Ministry for the Environment on National Direction Package 3: Freshwater**

25 July 2025

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Ministry for the Environment  
Via online: [environment.govt.nz](https://environment.govt.nz)

## **Submission to the Ministry for the Environment on National Direction Package 3: Freshwater**

### **1. Summary**

- 1.1. Property Council New Zealand (“Property Council”) welcomes the opportunity to submit to the Ministry for the Environment (“MfE”) on National Direction Package 3: Freshwater. Property Council’s comments primarily address the definitions related to wetlands.
- 1.2. Property Council welcomes MfE’s recognition of the uncertainty caused by the current wetland definition. It is critical that any revised definition is clear, consistent, and enduring to provide certainty for the development sector.

### **2. Introduction**

- 2.1. 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.”
- 2.2. 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.
- 2.3. 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.
- 2.4. 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.
- 2.5. Property Council’s submission provides feedback on the [National Direction Package 3: Freshwater](#). Property Council’s comments primarily address the definitions related to wetlands. Comments and recommendations are provided on issues relevant to Property Council’s members.

### **3. Recommendations**

3.1. At a high level, Property Council recommends that:

- The proposed ‘regionally significant’ exception to the definition of induced wetlands be removed from National Policy Statement for Freshwater Management (NPS-FM) and National Environmental Standards for Freshwater (NES-F) provisions;
- Small scale wetlands are excluded from protection requirements; and
- The requirement for councils to map natural inland wetlands within 10 years is retained.

### **4. Wetlands – a changing definition**

4.1. The definition of “natural inland wetland” under the NPS-FM and NES-F have undergone multiple changes since 2020, creating significant uncertainty for landowners and developers. We welcome the Government’s commitment to creating a clearer, more workable definition of wetlands.

#### *Defining Induced Wetlands*

- 4.2. MfE is consulting on defining “induced wetlands” as “wetlands that have developed unintentionally as an outcome of human activity for purposes other than creating a wetland or water body and excluding these from wetland provisions in the NPS-FM and NES-F, except where a council identifies them as regionally significant”.
- 4.3. Property Council members are concerned that introducing a ‘regionally significant’ exemption test to induced wetlands will create added uncertainty, costs, and delays for developers. This could lead to legal debates and site-specific variations over what “regionally significant” means, especially without clear or consistent criteria. This can delay or halt development—only for the classification to change later under a new definition.
- 4.4. Creating an exception class for human-induced regionally significant wetlands appears to be a highly niche policy response. Property Council members are not aware of many, if any, examples that would meet this criteria in practice. As such, this may be a case of developing a solution for a problem that is unlikely to exist at scale. More concerningly, its inclusion may have unintended consequences, for example, councils may use it as a tool to halt or delay development, further slowing much-needed housing and infrastructure delivery.
- 4.5. We therefore recommend that the proposed ‘regionally significant’ exception to the definition of induced wetlands be removed from the NPS-FM and NES-F provisions.

- 4.6. We further recommend that NPS-FM and NES-F provisions are amended to exclude small scale wetlands from protection requirements. For development, the small-scale wetlands cause the biggest issues for projects adding costs and time delays.

## **5. Removing mapping requirements**

- 5.1. Removing the requirement for councils to complete wetland mapping within 10 years risks perpetuating ongoing uncertainty. Without a clear timeframe for formal mapping, councils may continue to revisit and relitigate wetland boundaries each time a project is proposed. Where a boundary has already been agreed between a council and an applicant, it should be formally mapped to provide greater certainty and avoid repeated disputes.
- 5.2. For example, a Property Council member is currently dealing with a project where the wetland was delineated prior to the 2019 NPS-HPL. Despite this, council has reassessed the site and introduced an additional wetland that was not previously identified. This example of shifting positions and reassessments after agreement undermines the trust and confidence in the process.
- 5.3. Longterm certainty is required to build market and investment confidence. We recommend that MfE retain the requirement for councils to map natural inland wetlands within 10 years.

### *Involvement of landowners*

- 5.4. We note the importance of landowners being given genuine opportunity to provide input during the wetlands mapping process. 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.

## **6. Relationship to wider resource management reform**

- 6.1. MfE is consulting on whether any of the proposed changes should be implemented now, or if they should instead be incorporated into or made under the upcoming replacement for the Resource Management Act (“RMA”).
- 6.2. Property Council members strongly believe that the definition of induced wetlands should be clarified and finalised now, rather than waiting for the broader RMA reforms to be completed.
- 6.3. Clarifying the definition of induced wetlands at this stage would provide much-needed certainty and consistency across regions, helping to reduce regulatory delays and costly conflicts in the meantime. Waiting until the replacement legislation is enacted could mean years of continued ambiguity, which could stall development projects and increase compliance costs unnecessarily.

## 7. Conclusion

- 7.1. Property Council thanks the Ministry for the Environment for the opportunity to submit on National Direction Package 3: Freshwater.
- 7.2. We welcome MfE's recognition of the uncertainty caused by the current wetland definition. It is essential that any new definition is clear and enduring. We also strongly advocate for mapping to be completed, to prevent ongoing disputes and repeated challenges over wetland boundaries.
- 7.3. For further enquiries, please do not hesitate to contact Sandamali Ambepitiya, Senior Advocacy Advisor, via email: [sandamali@propertynz.co.nz](mailto:sandamali@propertynz.co.nz).

Yours Sincerely,



Leonie Freeman  
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