

Submission by



to the

**Ministry for Cities, Environment, Regions and Transport
(MCERT)**

on

**New Zealand's New Planning System
Testing the Approach to National Policy Direction**

October 2026

**NEW ZEALAND'S NEW PLANNING SYSTEM
TESTING THE APPROACH TO NATIONAL POLICY DIRECTION
SUBMISSION BY BUSINESSNZ¹**

SECTION 1.0 EXECUTIVE SUMMARY

- 1.1 BusinessNZ welcomes the opportunity to submit on New Zealand's New Planning System: Testing the Approach to National Policy Direction (NPD).
- 1.2 The purpose of the NPD is to articulate the goals of the Planning Act and the Natural Environment Act and translate them into clear direction on national priorities, including how key system conflicts should be resolved.
- 1.3 The illustrative NPD presents directives across five themes: housing and development; infrastructure; primary production; resources (including quarrying, mining and waste), and public values, including environmental and human health and indigenous biodiversity. It also includes broader cross-cutting, system-wide directives.
- 1.4 While BusinessNZ broadly supports the approach, several issues are raised in Section 2 which are not repeated here. A key concern is that some proposals provide too little detail about how conflicts between competing land uses will be resolved.
- 1.5 BusinessNZ believes there needs to be much clearer direction on how conflicts are to be resolved. The NPD itself should set the framework for identifying how competing land uses, infrastructure, environmental limits and other public values will be reconciled. National standards should provide technical detail, not determine the fundamental policy position on reconciliation. We therefore consider that this issue is required to be addressed across all themes in the NPD.
- 1.6 From BusinessNZ's perspective, the implications of uncertainty in the planning system go beyond the administrative burden. Planning settings that are unclear or inconsistently applied can materially affect insurability, access to finance and the long-term viability of development and infrastructure projects. Where land-use outcomes are uncertain, insurers and lenders may be required to price risks that are difficult to assess, which can lead to higher premiums, tighter underwriting, reduced availability of cover and higher cost of capital.

¹ Background information on BusinessNZ is attached as Appendix 1.

- 1.7 BusinessNZ is also concerned that broad and undefined references to “public values” may create inconsistent decision-making and expand discretion without sufficient certainty.
- 1.8 Public values should be:
- clearly defined;
 - applied consistently; and
 - capable of being understood by landowners, developers, infrastructure providers, insurers and lenders.
- 1.9 Importantly, public values should explicitly recognise infrastructure resilience and exposure to natural hazards. If the planning system does not account for these factors upstream, the cost and risk are shifted downstream to insurers, lenders, landowners and developers.
- 1.10 While BusinessNZ considers that infrastructure-enabling language is important, infrastructure outcomes will not improve unless the system also provides greater certainty around:
- trade-offs between competing land uses;
 - sequencing of development and infrastructure delivery; and
 - expected resilience standards over time.
- 1.11 Given the diversity of our membership, some members and sectors will have specific issues which they wish to comment on in detail. We have therefore encouraged individual members and sector representatives to make their own submissions on matters relevant to their areas of interest.
- 1.12 BusinessNZ wishes to acknowledge that not all BusinessNZ members agree with all aspects of this submission. For example, some of our horticultural sector members consider that protecting high value growing areas recognises that some land has a unique combination of characteristics for food production and export earnings and, once it is lost, it is very difficult or impossible to replace. Furthermore, they consider that productivity is about much more than soil class. It includes access to water, climate, infrastructure, labour, and supporting facilities like packhouses and logistics networks and together these create the systems that underpin regional economies and domestic food supply.
- 1.13 While the horticultural sector appreciates the concerns expressed in BusinessNZ’s submission about unnecessary constraints on landowners use of property, they consider there is a broader economic and food production

interest in making sure New Zealand does not gradually lose its most productive horticultural land to urban expansion and other competing land uses.

- 1.14 Moreover, some dairy sector members consider that the broader productive capacity of pastoral agriculture and other food-producing sectors should be included. In this respect some members support protecting suitable rural land to safeguard productive agricultural use and prevent unsustainable urban growth into highly productive areas, but agree it is important that the balance is right and that protections do not create unintended constraints.

SECTION 2.0 SPECIFIC COMMENTS ON NEW ZEALAND'S NEW PLANNING SYSTEM: TESTING THE APPROACH TO NATIONAL POLICY DIRECTION

NPD CROSS-CUTTING DIRECTIVES (p. 11)

- 2.1 BusinessNZ strongly supports **cross-cutting Directive 1**, under which private land use is to be enabled and restrictions imposed only when necessary to ensure others are not unreasonably affected or to provide for important public values.
- 2.2 Nevertheless, the second part of the directive is too broad. Almost any planning restriction could be promoted as protecting an "important public value", because the term is open to interpretation. It should be clarified and defined through tightly bounded categories. Any restriction should also be necessary and proportionate, and supported by evidence that the expected public benefits exceed the full costs.
- 2.3 The directive should also distinguish between effects internal to the property owner and external effects imposed on other parties. The planning system should not unduly interfere with owners' ability to make their own land-use choices, provided the costs are largely internalised.
- 2.4 Where private property rights are restricted in the public interest, regulatory relief should generally be provided.

Indicative implementation through national standards (p.14):

- 2.5 The requirement for land use plans to ensure "new sensitive or incompatible activities... avoid or mitigate their effects on existing land uses" (p.14) is overly

broad. While we appreciate that the NPD will inform the national standards which may define what counts as "sensitive" or "incompatible." However, those definitions should be based on the Government's long-term plans for economic and sustainable growth and informed by empirical evidence. Infrastructure that isn't considered "sensitive" today could come to be seen that way by the public in 5–10 years or more. That possibility creates long-term uncertainty for anyone investing in or expanding infrastructure in NZ.

THEME 1: HOUSING AND DEVELOPMENT (p. 16)

- 2.6 BusinessNZ strongly supports the HD directives outlined in this section.
- 2.7 Notwithstanding our general support for this section, we consider that there is a case for recognising the importance of community-serving activities within the planning framework.
- 2.8 In addition to providing sufficient opportunities for housing and business development, planning frameworks should ensure communities have access to essential daily services and provide sufficient development opportunities for community-serving activities. This would support well-functioning urban areas and help ensure growing communities have timely access to the services they need.

THEME 2: INFRASTRUCTURE (p. 26)

- 2.9 BusinessNZ strongly supports the INFR directives outlined in this section. Nevertheless, we consider some improvements could be made.

Support for the directives on investment certainty

- 2.10 The NPD has some sound directives that favour investment certainty and long-term infrastructure planning, including **CC-Directive 2: Economic Growth, INFR-Directives 1.3 and 1.7**, and the 30-year horizon for mapping strategic infrastructure. BusinessNZ explicitly supports these directives and requests that they be retained in the statutory NPD. **CC-Directive 6(b)** also recognises infrastructure delivered through private investment. The importance of private investment and the value of long-term partnerships between the private sector and government in delivering public infrastructure should not be underestimated.

- 2.11 **INFR-Directive 1.1** requires spatial plans to identify strategic infrastructure priorities, but the NPD does not say how these relate to the National Infrastructure Plan or the national pipeline. BusinessNZ considers that it is important for regional priorities to be consistent with both.
- 2.12 BusinessNZ is supportive of **INFR-Directive 1.6: Land use plans and natural environment plans must enable nature-based solutions and green infrastructure**, given that our understanding is that the intention is not to require infrastructure to adopt nature-based solutions retrospectively, as those solutions evolve after the infrastructure has been built.
- 2.13 Our reading is that the directive requires plans to enable these solutions, for example, by opening consent pathways for battery storage, use of renewable building material on-site renewable energy systems and similar measures.
- 2.14 Notwithstanding the above, we would caution against the directive going any further, and against the standards being applied retrospectively, in a way that would require infrastructure to include "nature-base solutions" or "green infrastructure" as these concepts change over time. Investors cannot predict future requirements. They can only adopt best practices in building and running their infrastructure where their business model and technology at the time allows.

Definition of Infrastructure (p.88-89)

- 2.15 The definition of infrastructure on pages 88 to 89 determines which assets receive the **Theme 2: Infrastructure** protections, and it is inconsistent about who operates the asset. Health and defence facilities are covered only where "operated by" Health New Zealand or the Defence Force, while waste facilities expressly include private operators and flood works include those carried out "by, or on behalf of" a local authority. A public facility delivered or run by a contracted partner could fall outside the definition as a result.
- 2.16 This may simply be wording carried over from earlier instruments, but it sits at odds with the Government's push for private investment in infrastructure and its refreshed procurement framework (e.g. rules around PPPs and partnerships).
- 2.17 Given the above, BusinessNZ supports a consistent definition, with health and defence facilities covered where "operated by or on behalf of" the relevant agency. A further limb could cover other facilities "constructed, operated or maintained by or on behalf of the Crown or a Crown entity for a public purpose".

To avoid that becoming a catch-all, it could be limited to facilities identified in the National Infrastructure Plan, a regional spatial plan or a designation.

THEME 3: PRIMARY PRODUCTION AND THE RURAL ECONOMY (p. 36)

- 2.18 BusinessNZ broadly supports the directives outlined in this section, including the use of risk-based controls where necessary.
- 2.19 However, BusinessNZ does not support **PP Directive 2.2**, "Protecting high-value growing areas".
- 2.20 BusinessNZ considers that this directive conflicts with the Government's broad objective of placing the enjoyment of property rights at the centre of the system. Landowners should be free to undertake any activity on their property, provided they do not substantially interfere with others' rights to enjoy their own property.
- 2.21 A fuller explanation of our opposition to the NPS-HPL was set out in our July 2025 submission to the then Ministry for the Environment on the Consultation on Updating RMA National Direction. The submission is available at: <https://businessnz.org.nz/wp-content/uploads/2025/07/250723-Consultation-on-RMA-National-Direction.pdf>: See paragraphs 2.31 - 2.38.

Theme 4, sub-theme 3: Commercial forestry (pp. 45–47)

- 2.22 Consistent with the concerns outlined above, **PP Directive 3.4(a)** requires land-use plans to avoid large-scale, permanent exotic carbon forestry on productive land where it would significantly reduce future land-use options. This cuts across the cross-cutting directive on upholding private property rights in CC Directive 1 (p. 12), which states: *"When implementing this NPD, the use of private land is to be enabled with restrictions only imposed when necessary to ensure others are not unreasonably affected or to provide for important public values."*
- 2.23 As noted in paragraph 2.4, where private property rights are restricted in the public interest, regulatory relief should generally be provided.

THEME 4: RESOURCES – QUARRYING, MINING AND WASTE (p. 52)

- 2.24 BusinessNZ generally supports the RW directives in this section.

Theme 4, sub-theme 1: Quarrying and mining (pp. 55–57)

- 2.25 **6RW Directive 1.1(a)** requires land-use plans to enable new and expanded mines and quarries. BusinessNZ fully supports this. However, the reference to “identified locations” creates a risk that the directive could preclude mining outside an identified location, such as a specified mining zone.
- 2.26 For spatial planning to work for the mining sector, mining must be able to occur outside a mining zone in appropriate circumstances. The directive should make clear that this is not precluded.
- 2.27 Where a commercially exploitable resource has not been identified when a plan is prepared, or where circumstances support extraction in an area not marked as an “identified location”, there must be a consenting pathway. There may be many reasons why identified locations are not adequate.

THEME 5: PUBLIC VALUES (p. 64)

Sub-theme 2: Indigenous biodiversity (pp. 69–72)

- 2.28 Theme 5, sub-theme 2 (pp. 69–72), addresses the need to protect indigenous biodiversity appropriately and proportionately.
- 2.29 Although the language appears reasonable, the directives are generally broad and again do not explain how conflicts would be resolved.

Appendix 1: Background information on BusinessNZ



The BusinessNZ Network is New Zealand's largest business organisation, representing:

- Business groups [EMA](#), [Business Central](#), [Major Companies Canterbury](#), and [Business South](#)
- [BusinessNZ](#) policy and advocacy services
- [Major Companies Group](#) of New Zealand's largest businesses
- [Gold Group](#) of medium-sized businesses
- [Affiliated Industries Group](#) of national industry associations
- [ExportNZ](#) representing New Zealand exporting enterprises.
- [ManufacturingNZ](#) representing New Zealand manufacturing enterprises.
- [Sustainable Business Council](#) of enterprises leading sustainable business practice.
- [BusinessNZ Energy Council](#) of enterprises leading sustainable energy production and use.
- [Buy NZ Made](#) - country of origin licensing organisation for NZ-made products, NZ-grown ingredients, and NZ-coded software services.

The BusinessNZ Network is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

The BusinessNZ Network contributes to Government, tripartite working parties and international bodies including the International Labour Organisation ([ILO](#)), the International Organisation of Employers ([IOE](#)) and Business at OECD ([BIAC](#)).

