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POWERING A BETTER NEW ZEALAND TOGETHER

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

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Submission on Illustrative National Policy Direction

Introduction

1. Energy Resources Aotearoa is New Zealand's peak energy sector advocacy organisation. We represent participants from across the energy system, providing a strategic sector perspective on energy issues and their adjacent portfolios. We enable constructive New Zealand's journey to net zero carbon emissions by 2050.

2. This submission provides feedback on the 'Illustrative National Policy Direction' (INPD) as set out in *New Zealand's New Planning System: Testing the Approach to National Policy Direction* dated 25 August 2026. Our focus is on matters that are most relevant to the energy and resources sectors, namely Themes 2 and 4 on 'Infrastructure' (particularly *Sub-theme 2: Energy infrastructure*) and 'Resources'.

Summary and recommendations

3. We support the overall direction of the INPD and its promotion of the energy and resources sectors. We consider, however, that there are opportunities to strengthen the framework and improve its effectiveness in delivering the Government's intended outcomes through further refinement.

4. To encourage investment and improve certainty, it is critical that the new planning regime is stable, durable and consistent and that the final NPD is an enduring document. A more detailed and balanced approach to the NPD should addresses key matters such as:

    a what the 'Goals' in the new resource management Acts[1] mean in practice;

[1] The Planning Act 2026 and Natural Environment Act 2026.

b how disputes will be resolved; and

c providing more coverage of issues such as freshwater and coastal management.

5. We support the emphasis placed throughout the INPD on managing reverse sensitivity and protecting existing infrastructure and lawfully established activities from unreasonable constraints.

6. The language in the INPD needs to be tightened up and definitional issues need to be resolved to improve clarity and consistency.

7. The INPD needs to more explicitly cover 'petroleum' as a mineral and the mining activities related to it, including enabling the removal of unnecessary barriers to decommissioning petroleum infrastructure. There should also be greater recognition of the strategic importance of fuel infrastructure.

8. For the final NPD, **we recommend**:

a more detail on what the 'Goals' in the Acts mean in practice and that the NPD clearly articulates how conflicts will be resolved to enhance predictability;

b that it be better balanced to reflect the objectives of both Acts, particularly providing more coverage of freshwater and coastal management issues. This should make it a more durable document;

c language and definitional issues be addressed in terms of clarity and consistency. Either new terms should be clearly defined, or existing terms that are already well understood should be used instead;

d existing infrastructure be protected from incompatible land uses. This will require the management of compatibility issues, creation of infrastructure corridors and nationally consistent approaches to reverse sensitivity;

e where issues have already been assessed under any other legislation, planning instruments should not duplicate those assessments;

f the fuel and technology agnostic approach generally taken needs to flow through into future plans and environmental standards and limits;

g critical energy infrastructure such as for fuel and petroleum should be recognised as nationally strategic and given more prominence, though we agree that increasing renewable energy capacity is important;

h the 'Resources' theme is reframed to cover all domestic resources, particularly to ensure petroleum mining activities and decommissioning

get the same benefits as other minerals. These include identification and protection from competing land uses and enabling removal of unnecessary barriers;

i the benefits described above also need to be reflected in future plans (e.g., spatial and land use plans); and

j the process for establishing both environmental limits and standards is grounded in scientific method and evidence and utilises established industry standards and practices wherever possible.

General commentary on the INPD

9. As we said in our submission on the then Planning and Natural Environment Bills (now the 'Acts'), we strongly support the Government's intent for the resource management reforms to enable development and economic growth while safeguarding the environment. We agree with the greater emphasis on property rights, the aim of introducing a simpler and more streamlined planning system and shifting public participation to the planning rather than consenting stage.

10. We also noted in that earlier submission that:

> "…much of the detail about how the regime will operate [will] come in key documents such as national instruments and spatial plans" and these documents are critical to its development.[2]

11. The INPD gives a useful indication of how national priorities may be implemented under the proposed planning system. We applaud the Government for giving an early view of the proposed shape of this important foundational document.

12. We support the overall direction of the INPD and consider that it is largely consistent with the Government's objectives for the new planning system. We are pleased that the INPD offers strong support for the energy and resources sectors. This is entirely appropriate given the key role that these sectors play in driving economic growth and prosperity and the importance of all minerals to New Zealand.

13. We do, however, consider that there needs to be greater detail and wider coverage of some important issues in the final NPD.

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2 See page 2.

The importance of predictability and durability through wider coverage and better balance

14. We are not convinced that this 'illustrative' document provides the level of detail that is needed to get a clear sense of whether it will serve the purpose for which it is intended. In particular, it does not do enough to expand and explain what the 'Goals' in the Acts mean in practice (i.e., it simply repeats them in most cases) and how competing objectives and conflicts between them will be resolved. A clear enunciation of where and how trade-offs might be made will be critical to the success of the implementation of the new resource management regime.

15. The document is light on detail as to how the inevitable conflicts that will arise will be resolved. This relates both to competing land uses and also where there are trade-offs to be made between land use activities and public values such as environmental health, indigenous biodiversity and public access that are discussed in *Theme 5 'Public Value'* [3]*.* Throughout the document the directives enable a variety of activities - agriculture, housing, infrastructure etc. There will be occasions where potential mining activities will conflict with many of these activities and the document does not give much direction on how such conflicting proposals for competing land uses will be settled.

16. If the statutory NPD does not adequately address these issues, there is a risk that the uncertainty that remains will require interpretation lower down the decision-making 'funnel' or in the courts. This will effectively undermine the ability to lock decisions in at a higher level to avoid re-litigation, which is one of the main objectives of the new regime. Local government authorities may also not have sufficient direction for the plans that they are required to develop based on the NPD (e.g., 'spatial' and 'land use' plans).

17. A design feature of the new regime is that the NPD can be changed by successive governments without the need for legislative amendment. This gives flexibility to implement new policy approaches but also risks churn and policy swings when predictability and consistency are needed and constrained only by the need to act within the requirements set out in the primary legislation.

18. There is national collective benefit in this document being as durable as possible, but we are concerned that the way it is framed and the extent to which it reflects current Government policies (e.g., support for mining) will make it ripe for being changed significantly, or even just thrown out, by a different Government.

19. We therefore suggest that the final document is more balanced to reflect the objectives of both Acts by adding further coverage of issues of interest to a wider range of stakeholders. The clearest examples of underrepresented matters in the INPD are management of freshwater and the coastal environment, which are the focus of much of regional plan-making. Four of the five themes in the INPD

[3] See pages 63 to 79.

focus on enabling activities under the Planning Act 2026, while the purposes of the Natural Environment Act 2025 (NEA) to cover the use, protection and enhancement of the natural environment are largely reduced to two sub-themes within the 'Public Values' theme.

20. The same is also true for direction on spatial planning on NEA matters. Fifteen directives address regional spatial plans requiring those plans to identify matters such as abundant urban land, strategic infrastructure, energy opportunities and renewable resources. However, the natural environment appears as fragments in just three of them (CC-Directives 5(e) and 7, and SW-Directive 2.1(b)).

Recommendations:

a the NPD requires more detail on what the 'Goals' in the Acts mean in practice and must clearly articulate how conflicts will be resolved to enhance predictability;

b the NPD should be better balanced to reflect the objectives of both Acts, particularly providing more coverage of freshwater and coastal management issues. There will inevitably be reframing by different stripes of Government over time, but this should make it less likely to be heavily amended or entirely discarded and is consequently more enduring. This should give investors the certainty that they need for major projects to be progressed;

Language and definition issues

21. We have concerns about some of the language, how it is being used and the definitions. There needs to be more precision, accuracy and consistency in the language across the INPD.

22. There is presently liberal use of words such as "reasonable", "appropriate" and "significant", for example, in phrases like "…to avoid unreasonable effects" [4]. There is a risk that these highly subjective words will give local authorities too much scope for judgment in their interpretation and therefore too broad a discretion. Similarly, the directives routinely use verbs such as "support", "enable" and "provide for" without being clear about the difference in effect that is intended.

23. There are also issues with some of the definitions as proposed, and with omissions. For example, the 'Interpretation' section defines 'Infrastructure' by a longer and differently framed list than the definition in both Acts. Key terms such as 'mining', 'mining activities' and 'mine' are not defined. In addition, 'minerals' are defined using the Crown Minerals Act 1991 (CMA) definition, which we would

[4] See RW- Directive 1.1, b) on page 55.

support, but there is no definition of 'petroleum', despite that also having a CMA definition.

Recommendation:

c these language and definitional issues need to be addressed in the final NPD in terms of clarity and consistency. Either new terms should be clearly defined, or existing terms that are already well understood should be used instead;

Protection of Existing Infrastructure and Reverse Sensitivity

24. We support the emphasis placed throughout the INPD on managing reverse sensitivity and protecting existing infrastructure and lawfully established activities from unreasonable constraints. Reverse sensitivity involves the vulnerability of an existing activity to legal attack from newly located activities that are adjacent and which are incompatible (e.g., building houses next to a factory and then campaigning for the factory to be shut down due to what were acceptable levels of noise and pollution). This is inconsistent with due protection of existing property rights.

25. Critical energy infrastructure for gas, electricity and fuel are long-term assets that require ongoing maintenance, upgrading and adaptation. These activities should not become increasingly constrained by reverse sensitivity effects because new sensitive activities, such as residential development, choose to locate nearby. This is particularly important for strategic fuel infrastructure, where the consequences of reverse sensitivity can extend beyond individual sites to affect energy security, supply chain resilience and broader economic activity at a national level.

26. The final NPD should therefore provide clear direction requiring planning frameworks to identify, protect and safeguard strategic infrastructure corridors, facilities and operational environments from incompatible nearby development. In this regard, limiting unnecessary restrictions within a proposed 'operational envelope' around the physical infrastructure [5] is a useful addition, but must be reworked to contemplate 'replacement' and 'removal' as well as "upgrade and repowering". Buffers and separation distances could also be used where appropriate.

Recommendation:

d existing infrastructure should be protected from incompatible land uses. This will require the management of compatibility issues, creation of

[5] See INFR-Directive 1.3, a) at page 29.

infrastructure corridors and nationally consistent approaches to reverse sensitivity;

Avoiding duplication

27. We support the 'cross-cutting directive' CC-Directive 8[6], which seeks to avoid unnecessary duplication and applies directly to Themes 2 and 4 discussed below.

28. Petroleum resources and infrastructure are already governed by a dedicated regulatory framework, including the CMA (for permit allocation, conditions, decommissioning, financial securities etc.) and the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act) (for offshore environmental effects, decommissioning plans etc.).

29. Where matters have already been assessed under the CMA or EEZ Acts, or any other legislation, planning instruments should not duplicate that assessment. Planning should not stray into resource allocation, decommissioning adequacy or any other matter that has already been determined by the specialist regulator.

Recommendation:

e where issues have already been assessed under any other legislation, planning instruments should not duplicate that assessment and should be confined to genuine land-use effects;

Commentary on specific themes related to the energy and resources sectors

Theme 2 'Infrastructure' (particularly Sub-theme 2: Energy infrastructure)

30. We completely agree with the policy intent that:

> "[s]ecure, abundant and affordable energy is fundamental to building a strong productive and resilient economy"[7]

31. We are also pleased that the INPD specifically acknowledges the role that 'thermal energy' has to play in the energy system.

32. The approach taken in the INPD seems to be fuel and technology agnostic in broad terms as it seeks to enable"...all sources of energy to be developed and expanded" [8], including thermal energy and emerging technologies. We will want to see this neutrality reflected in future plans and environmental standards and

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6 See page 13.

7 At page 31.

8 See ONFR-Directive 2.2, a) at page 31.

limits. There also seems to be more emphasis on generation infrastructure over other key parts of the system such as transmission, distribution and storage which will need to be addressed.

33. There is, however, a specific focus on increasing renewable energy capacity and developing and expanding the system supported by a national goal of doubling renewable energy capacity by 2050 (see 'INFR-Directive 2.3' and 'INFR-Directive 2.4').[9] There is consensus that renewable energy will play an increasing role in New Zealand's energy future, but other forms of critical energy infrastructure do not have equivalent recognition and should be given more prominence in the INPD. This applies to fuel import, storage and distribution infrastructure, which will continue to support freight, aviation, emergency services, agriculture, industry and regional communities for the foreseeable future as well as oil and gas infrastructure. They should both be recognised as strategic infrastructure nationally supporting energy security, resilience and economic productivity to ensure decision-making remains genuinely technology-neutral.

Recommendation:

f the fuel and technology agnostic approach generally taken in the INPD needs to flow through into future plans and environmental standards and limits;

g critical energy infrastructure such as for fuel and petroleum should be recognised as strategic and given more prominence in the INPD, though we agree that increasing renewable energy capacity is important;

Theme 4 'Resources'

34. The Government has implemented a suite of policies to promote the petroleum sector and repeatedly stated its intention to make the best use of all domestic resources. As noted above, the INPD recognises of the importance of thermal fuels and seeks to enable all sources of energy to be both developed and expanded.

35. The theme should cover all minerals and related mining activities but, as written, petroleum appears to be largely ignored. The drafting needs to address this in a number of ways. For example, 'RW-Directive 1.2' on 'Protecting mineral resources' [10] should make it clear that current and potential future oil and gas fields (on and offshore) should be identified as strategically important and protected from sterilisation by competing or incompatible land uses.

9 At pages 31 & 32.

10 At page 56.

36. The directives also need to be refined to ensure that mining and quarrying receive the intended benefits. RW-Directive 1.1 (a)[11] requires land use plans to enable new and expanded mines and quarries, which we support. The reference to "identified locations", however, means there is a risk that this directive could preclude mining in an area outside an identified location such as a specified mining zone.

37. There must be a clear path for the intended benefits for the extractives sector to be reflected in plans. In relation to spatial planning, there needs to be potential for mining to occur outside of any potential mining zones in the right circumstances. This is, of course, critical because mineral and petroleum resources are location specific. The directives should allow for this and be clear that it is not precluded. In addition, there needs to be a consenting pathway where a commercially exploitable resource has yet to be identified at the time a plan is created, or there is a compelling case for extraction of a resource in an area that had not been deemed as an "identified location", for whatever reason.

38. RW-Directive 1.3[12] on 'Improving environmental outcomes over the life of the activity' refers to "rehabilitation" and "restoration", which are mineral mining activities. It does not specifically mention 'decommissioning', which has unique (and very stringent) requirements under the CMA and EEZ Acts. In our view, the language is too passive, leading to the potential for interpretative debate (e.g., "provide for…" could be stronger (e.g., "actively enable…" would be preferable). The subsection requiring plans to "avoid imposing unnecessary constraints on rehabilitation activities" should also explicitly apply to decommissioning activities.

39. There is a directive[13] allowing for quarrying and mining activities to continue even when environmental limits are breached, or are likely to be breached, so long as there is a mechanism to remedy the breach within a set timeframe. It will of course depend on where those limits are set but, given modern practices and its reducing emissions profile, conventional oil and gas mining may not routinely breach these limits. If they do, an environmental management approach which allows mitigation, offsetting and compensation is more likely to achieve better outcomes for both the environment and the economy than the prescriptive approach based exclusively on environmental limits.

40. The process for establishing both environmental limits and standards needs to ensure that they will be pragmatic and cost-effective. They must be grounded in scientific method and evidence, and the government should recognise, incorporate or rely upon established industry engineering, technical and safety standards wherever appropriate. It will be important that the limits allow for the

11 See page 55.

12 Ibid.

13 RW-Directive 1.6 at page 56.

specific characteristics of different regions and are flexible enough to cater for regional and ecosystem variations. These approaches will improve consistency, reduce costs, streamline investment and support more efficient infrastructure delivery.

Recommendations:

h this theme should be reframed to cover all domestic resources, particularly to ensure petroleum mining activities and decommissioning get the same benefits as other minerals. These include identification and protection from competing land uses and enabling removal of unnecessary barriers;

i for the resources sector to work effectively, those benefits also need to be reflected in plans; and

j the process for establishing both environmental limits and standards needs to be grounded in scientific method and evidence and utilise established industry standards and practices wherever possible.

Conclusion

41. We support the overall direction of the INPD and consider that it aligns well with the Government's objectives for energy and resources in creating a planning system that supports growth, investment, productivity and infrastructure delivery.

42. Further refinements as set out in our recommendations will be required to strengthen the framework.

43. We look forward to seeing a final NPD and working with government to ensure that it reflects the recommendations that we have made.