



PO Box 10232, The Terrace,
Wellington 6143
Level 4, Co-operative Bank Building
20 Ballance Street, Wellington 6011
Phone: +64 4 472 3795
Fax: +64 4 471 2861
Web: www.hortnz.co.nz
Email: info@hortnz.co.nz

Comments by

HORTICULTURE NEW ZEALAND

To the

MINISTRY FOR THE ENVIRONMENT

On a

NATIONAL POLICY STATEMENT FOR URBAN DEVELOPMENT

05 FEBRUARY 2016

Background

1. Horticulture New Zealand was established on 1 December 2005, combining the New Zealand Vegetable and Potato Growers' and New Zealand Fruitgrowers' and New Zealand Berryfruit Growers Federations.
2. On behalf of its 5,454 active grower members Horticulture New Zealand takes a detailed involvement in resource management planning processes as part of its National Environmental Policies. Horticulture New Zealand works to raise growers' awareness of the RMA to ensure effective grower involvement under the Act, whether in the planning process or through resource consent applications. The principles that Horticulture New Zealand considers in assessing the implementation of the Resource Management Act 1991 (RMA) include:
 - The effects based purpose of the Resource Management Act,
 - Non-regulatory methods should be employed by councils;
 - Regulation should impact fairly on the whole community, make sense in practice, and be developed in full consultation with those affected by it;
 - Early consultation of land users in plan preparation;
 - Ensuring that RMA plans work in the growers interests both in an environmental and sustainable economic production sense.

Introduction

3. Horticulture New Zealand thanks the Ministry for the Environment for the opportunity to comment on the development of a proposed National Policy Statement on Urban Development.
4. Horticulture New Zealand is at the forefront of discussion and planning processes around New Zealand considering urban intensification and land supply issues to ensure a sustainable response to urban growth pressures. The primary issue for Horticulture New Zealand is the impact of urban sprawl on rural production systems.
5. Through these discussions and planning processes it is becoming the experience of Horticulture New Zealand that the connections and relationships between the rural

sector and urban areas are being lost or forgotten. It is the opinion of Horticulture New Zealand that the impact of poor decisions could be catastrophic on the productive capability of nationally significant production land and could prove a threat to domestic food security.

6. Having said that, Horticulture New Zealand is not opposed to growth. We instead seek spatial planning instruments that allow for all of the important values that make a city sustainable are planned for. We have seen rapid growth in many urban areas of New Zealand in recent years that has put pressure on the productive environments upon and around which cities have developed, relied and grown. This pressure translates into many forms, not just direct loss of high value production land to housing or countryside living but also pressure on other resources upon which the rural production systems rely, in particular freshwater.
7. Using land for housing supply is a complicated matter but if we are to recognise the need to protect and enhance the rural production systems that support our national economy and supply food to national and international communities, then we must clearly identify the resources required and how these systems will be considered in planning decision making.
8. Less than 5% of New Zealand is available for high value horticultural production due to the requirements for a high level of versatility¹. For this reason land identified as versatile should be recognised as a resource with finite characteristics. The finite characteristics of natural and physical resources must be given particular regard to in exercising functions and duties under RMA 1991.
9. Climate change is a factor that we must consider. There is a significant body of supporting evidence demonstrating the significant increase of emissions from the conversion of rural land to urban land, particularly conversion that results in greater sprawl or low density. Climate change effects must be given particular regard to in exercising functions and duties under RMA 1991.²

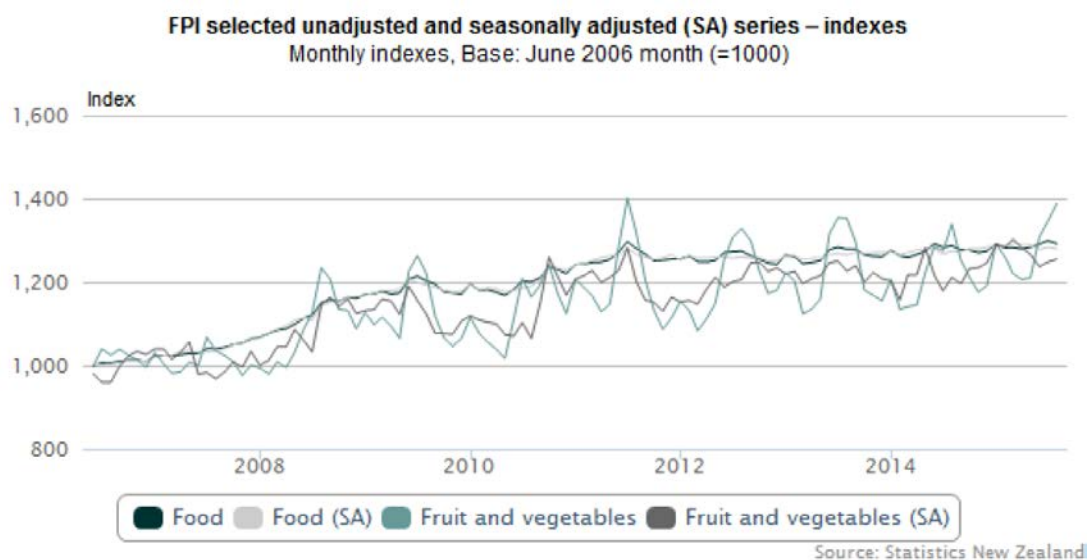
¹ Rutledge DT, Price R, ROs C, Hewitt A, Webb T, Briggs C, 2010, Thought for food: impacts of urbanisation trends on soil resource availability in New Zealand. Proceedings of the New Zealand Grassland Association 72, 241-246

² <http://www.pnas.org/content/112/16/4999.full>

Threats to the viability of domestic food production (fruit and vegetables)

10. Domestic food chains depend on local production nodes that provision the NZ community through different times in the year. Often production is non substitutable without incurring significant cost or import. Although there is some overlap between regions for supply at similar times in many cases, in some cases there is none; for example the supply of leafy greens to New Zealand in the months of October, November and some of December mostly from Pukekohe³.
11. There is widespread concern through the vegetable sector about the availability of suitable land to meet domestic production requirements. It is of wider concern to the public that seasonal fruit and vegetable prices have risen by up to 40% (see Figure 1 below) since 2006. Greater pressure on availability of land will have consequences borne by New Zealand consumers, not just growers.

Figure 1 showing Food Price Index (FPI) increases since 2006



12. Domestic production concerns do not just relate to Auckland. Horticulture New Zealand has made over 40 plan change interventions in the last 6 years relating to subdivision of prime and elite / versatile land across the country. Particular pressure areas are Kerikeri, Mahurangi, Pukekohe, Hamilton, Matamata, Tauranga, Whakatane, Hastings, Gisborne, Palmerston North, Ohakune, Levin, Otaki, Richmond / Nelson, Christchurch,

³ <https://www.youtube.com/watch?v=QsFUtMsayeI>

Alexandra and the greater Queenstown area. So this is not a localised issue; it is a national issue with significant cumulative effects. Proof of these cumulative effects is demonstrated in published science papers from Landcare Research⁴. The papers show that while Auckland is a pressure spot, pressure is evident in many other locations for subdivision. Interestingly, the papers also show that compact urban growth is nowhere near as damaging as lifestyle living and large block development.

Threats to export opportunity

13. Over the past 20 years, horticultural exports have grown from \$NZ 200 million to \$NZ 2.23 billion. Including domestic sales, the horticultural industry is worth \$NZ 5 billion and it employs over 50,000 people. Including wine, the industry has overtopped \$7.2 billion this year. The industry has a target of \$10 billion in value by 2020. Horticulture is a key plank of New Zealand's growth agenda to double exports, but it cannot continue to grow if the land as a finite resource continues to be sterilised at the current rates observed in the scientific analysis.
14. Many economic analyses have suggested that horticultural outputs do not compete with the returns from urbanised land. Some of those analyses were the subject of recent Auckland Unitary Plan hearings and economic evidence⁵ was produced that show flaws in previous analysis. The Auckland Plan process also allowed horticulture New Zealand to pilot a new proposed approach identifying spatially the areas that are most important to horticultural production due to their versatility. Those areas were presented as a potential planning overlay⁶ to provide guidance on where planned urban growth should be accommodated. This is because Horticulture New Zealand recognises the need for growth in housing, and believes that through planning processes conflict can be avoided as long as the conflicting values are recognised and managed.

⁴ <http://www.hortnz.co.nz/assets/Natural-Resources-Documents/expansion-of-lifestyle-blocks-and-urban-areas-onto-high-class-land.pdf> ;
<http://www.sciencedirect.com/science/article/pii/S0264837714000489>

⁵ <https://hearings.aupihp.govt.nz/online-services/new/files/oscuFrug2Ek4LiLuCmHu5nOOXc2E3Ds3KtPLsMVetsmo>;
<https://hearings.aupihp.govt.nz/online-services/new/files/5BPi8YuZo7YFRtHluH4wVXS76EcBI0pCvOoTKt94cK5B>

⁶ <https://hearings.aupihp.govt.nz/online-services/new/files/pnWzixy02pn3woDdyOChQneCaYamX2zu8cWT02MtMmpn> (Warning large file)

The nature of conflicts

15. There are a number of ways poorly planned subdivision and land fragmentation can affect the viability of horticulture in New Zealand and threaten sustained sector growth and the security of food supply. These threats include:

- Water management – including allocation of water quality and quantity parameters that are key matters for the horticultural sector. Without water, elite and prime land cannot support high value rural production. Water for domestic and municipal supply maintains a high priority and often is provided at the expense of agricultural production through provisions in the RMA⁷. Increases in impervious surfaces have been linked to depletion of recharge in productive aquifers. There are also threats to the rural sector from freshwater quality degradation as a result of urban activities (stormwater runoff, aquifer contamination).
- Land supply is affected by changes to the rural urban boundary and land fragmentation. As land fragments the cost of obtaining land increases, as does the rates burden on production land. For example, 4 hectares of land in Central Otago cost the same as 2 hectares because the 2 hectare lots are at a size that is more appealing to rural residential developers.
- Infrastructure – the transportation needs of the rural sector include land access and linkages to the market, ports, airport etc. With urban growth comes added pressure on transport networks. There is also pressure on other infrastructure and resources such as gas supplies.
- Permitting – the regulatory regime becomes less permissive for rural production activities.
- Reverse sensitivity – conflict between resource users is common, often resulting in increased cost to and constraints on production. Conflict between residential activity and rural production is well documented in NZ. Rural production systems internalise effects as much as possible but by their nature this is not always possible. These effects are part of the rural environment and in many ways define the amenity through characteristic smells, noise and activity. The most appropriate method to avoid these conflicts is physical separation of sensitive activities.

⁷ S. 14 (3) b is an example.

- Biosecurity – the inability to control pest plant and animal species can introduce significant issues for production land activities.

Mitigating the effects

The Ministry for the Environment have asked for feedback on three questions:

1. Is your area experiencing high levels of population growth and challenges in planning for this growth?

Our answer to this is based on our national experience and the answer is yes. Evidence for the issue is provided above.

2. How could a National Policy Statement and supporting guidance help to address these issues?

16. We think that a National policy statement could provide direction around spatial planning to avoid resource conflicts, involving identification of areas where land is extremely versatile. This would enable decisions to be made at a local level on the most appropriate methods to protect this land from inappropriate subdivision, use and development where this would compromise rural production systems. This would also provide certainty for investment in rural production systems where growers know the production values for these area are secure.

17. Growth could also be encouraged to collocate in places where there is existing infrastructure as a way to avoid the impacts of urban sprawl on greenhouse gas emissions and climate change.

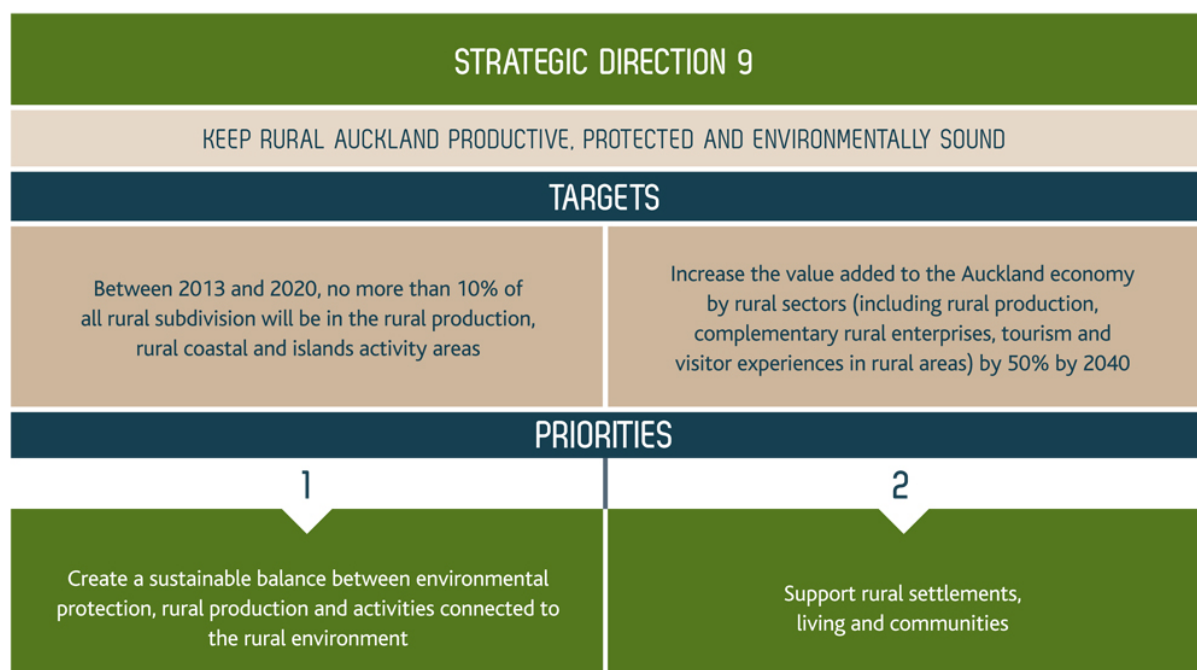
3. What could a National Policy Statement and supporting guidance contain?

18. In short it is the position of Horticulture New Zealand that a National Policy Statement on Urban Development would be useful. There are many areas in New Zealand subject to high levels of population growth and where urban development is compromising rural production (e.g. Auckland, Tasman, Bay of Plenty).

19. Many cities in New Zealand are located near land that is, or has been, used for agricultural purposes. The food provisioning service this land provides is critical. The land is typically close to market, served by infrastructure, has an active labour source and can efficiently and cost effectively serve adjoining metropolitan areas with fresh fruit and vegetables.
20. Horticulture New Zealand has a national position on subdivision as it affects rural land. It is simply that the expansion of urban areas (metropolitan and rural/coastal settlement) should be focussed away from the most versatile land. There are a number of elements to versatility that could be managed. It is usually elite or prime land with the capability of water resource access or supply through infrastructure.
21. Elite land (typically defined as Class 1) is the most versatile, multiple-use land on flat to undulating land. Prime land (or Classes 2 and 3) is also very good prime agricultural and horticultural land with slight (Class 2) or moderate (Class 3) physical limitations to arable use. Classes 1–2 land represent 5% of total New Zealand land areas and Classes 1–3 land represent 14%.
22. A recent report for the Research Investigations and Monitoring Unit of the Auckland Council identifies that urbanisation disproportionately affects New Zealand's most high class and productive land, reflecting the location of urban settlement and demands for countryside living. Urban settlement in New Zealand has been influenced by a number of factors including topography, aspect and the availability of readily accessible resources (water and areas of food production). Urban growth has typically extended across the easy contour of high class land because of the proximity to urban centres and the ease/cost of extending urban infrastructure.
23. Notwithstanding the above, Horticulture New Zealand has been successful for many years in restricting greenfield land supply in trying to minimise urban expansion across elite and prime land and to push for alternatives (intensification, use of alternative land classes). Horticulture New Zealand has also been successful in ensuring rural subdivision policy and methods support and do not conflict with rural production. But this has come at a great cost, and there is a greater need for national consistency to encourage strategically planned urban growth.

24. The position of Horticulture New Zealand has been consistently backed up by science and economic evidence to prove to decision makers that the continued march of urban activities across the rural environment cannot be sustained. There are wider issues around food production and domestic food supply and the risk of shifting community costs into a new area. Horticulture New Zealand will continue to oppose the relaxing of land supply in greenfields areas and inappropriate rural subdivision due to the cruciality of the issue for the sector.
25. In taking the position it has, Horticulture New Zealand has remained proactive in looking for and providing constructive suggestions for avoiding conflict and easing the planning processes.
26. This includes:
- Engage with the industry organisations (not land developers who don't want to grow food any more) about the issues early.
 - Define "no go" areas and provide security that they will not be affected by unplanned, opportunistic and sporadic development.
 - Allow development at a scale that provides more property titles in areas where land is not prime or elite.
 - Encourage mechanisms to remove the latent potential to provide for more planned infrastructure e.g. Transferable Development Right mechanisms etc.
 - Review the Rating Act to value land for the purpose it is currently zoned for and remove the opportunistic "right" created by rating land based on its potential use.
 - Have a contested Resource Management Act process for programmed growth areas that takes into account the need to expand in an ordered fashion.
27. Expanding on the suggestion of defining no go areas, we highlight the 'Auckland Plan' example. In no region are the issues of using land for housing more relevant than in Auckland where at this moment decisions are being made on the direction of growth for our biggest city. The impact of poor decisions could be catastrophic on the productive capability of nationally significant production land and prove a threat to domestic food security.

28. Auckland has lead the way in providing a robust strategic direction for growth management through the Auckland Plan. This strategic approach to growth management and the recognition of rural production systems and relationships with urban form and function is supported by Horticulture New Zealand. This is a tool that Horticulture New Zealand considers could be rolled out across the country.
29. The Auckland Plan provides the strategic direction for Auckland over the next 30 years and provides a basis for aligning the implementation plans, regulatory plans and funding programmes of the Auckland Council. The Auckland Plan is to be implemented through a number of mechanisms including the Proposed Auckland Unitary Plan which replaces the existing Auckland Regional Policy Statement and 13 district and regional plans.
30. The Auckland Plan is unequivocal on the strategic direction for rural production.



31. This strategic direction is supported by two key directives related to rural production, and one key directive related to climate change:

DIRECTIVE 8.6

Recognise, promote and strengthen the value and contribution of local urban and rural food systems to improve resilience, resource use efficiency and community food security.

DIRECTIVE 9.1

Ensure that the resources and production systems that underpin working rural land are protected, maintained and improved.

DIRECTIVE 9.2

Develop a regulatory framework that accommodates and encourages productive rural uses, changing activities and associated enterprises.

32. How the strategic direction and Directives 9.1 and 9.2 are implemented through the PAUP are of critical importance to the horticultural sector. Key issues to address include:

- Recognising Nationally Significant Rural Land;
- Providing for Regionally Significant Rural Production;
- Achieving Economic Development Targets;
- Protecting Food Supply and
- Post Harvest Production.

33. The Proposed Auckland Unitary Plan is currently in a hearings phase and through submission Horticulture New Zealand has identified that changes are required to ensure the good work and strategic direction set out in the Auckland Plan is achieved through the planning document. Of particular concern (and a matter that relates directly to this topic) is location of the rural urban boundary around Pukekohe and the relentless requests for an expanded choice of countryside living. It is of significant concern that the Auckland Plan carries little weight in this process.

34. While Horticulture New Zealand has concerns with how the Auckland Plan has been implemented through the Proposed Auckland Unitary Plan, the use of this strategic planning tool to inform planning decisions is a method that could be rolled out across the country and considered at district, regional and national levels by:

- Spatially identifying opportunities and constraints for activities and development.
- Identifying highly valued and regionally significant resources that the policies protect or manage.
- Establishing clear and consistent priorities for resource use and protection by identifying boundaries and limits based on environmental values.
- Establishing priorities for resource use where there are likely to be competing uses, such as competition for land between primary production and urban development.
- Setting rules for regulating land use, subdivision and development.

35. A National Policy Statement on Urban Development is a mechanism by which this spatial planning could be implemented. If it were, Horticulture New Zealand would support its development.

36. There are choices available to decision makers on using land for housing, options to avoid compromising elite and prime land and the resources (including freshwater) that support rural production. It is the submitter's opinion that New Zealand is as at a tipping point with planning processes and strong policy guidance and decisions are required to preserve elite and prime land as a non-renewable resource, critical to the national economy and domestic food security.

37. The point cannot be overstated that if elite and prime land is covered in urban activities then it is lost from rural production.

Conclusion

Horticulture New Zealand wishes again to thank the Ministry for the Environment for the opportunity for early input into the development of a National Policy Statement on Urban Development. It is our position that:

1. A National Policy Statement on Urban Development is required to address population growth and challenges to planning for this growth.

2. Land identified as versatile should be recognised as a resource with finite characteristics and the values associated with this land for rural production elevated in New Zealand planning documents
3. A National Policy Statement on Urban Development could provide direction around spatial planning to avoid resource conflicts, involving identification of areas where land is extremely versatile and where subdivision use and development that would compromise rural production should be avoided.
4. We suggest that a reference group be established to assist the Ministry with developing a National Policy Statement. This reference group must have rural sector representation and Horticulture New Zealand suggests that given experience and information available to it, that it is best placed to be a part of the group.