

Submission on the Proposed National Policy Statement for Highly Productive Land

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I am a sheep farmer living in the Gore District on highly productive land (class 2). My wife and I both grew up on farms but were not part of any family succession process. We both went to University and obtained honours degrees (Engineering & Forestry). We then worked in our degree fields until we could afford to purchase what would now be described as a lifestyle block. We worked and farmed and purchased more land until we eventually went full time farming. Our land and livestock are very important to us and we try to farm as efficiently and environmentally as possible.

We are upset by the current raft of policy being proposed by the government. Our way of life is under threat. You may think I am being melodramatic but the reality is that our farm is small and we survive by being good at what we do and doing everything ourselves. The indicative costs given under the Zero Carbon Bill and the Freshwater Management discussion document would cause us serious financial difficulty. We farm sheep, have low carbon and methane emissions and very low Nitrogen leaching levels but these proposals are designed to catch every farm.

What should we do? The obvious answer is, get out of farming or change our land use to something more profitable. The problem is that the changes being proposed under freshwater management mean we can't change to a more intensive land use. The NPS-HPL will result in subdivision restrictions (we are surrounded by lifestyle blocks). Put together this will result in significant reductions in land value. How would you feel if overnight the value of your house dropped by 50% or more? The banks are looking closely at farm lending portfolios and the proposed changes will exacerbate that.

My submission relates to the "Public Consultation on the Proposed National Policy Statement for Highly Productive Land" proactively released document of 22 pages and not the discussion document. Page numbers refer to the above document.

The NPS-HPL starts off by saying that roughly 14% of NZ's land is Highly Productive Land (HPL). The Agfirst document entitled "Analysis of Drivers and Barriers to Land Use Change" prepared for MPI August 2017 puts HPL at 14.5% of NZ's total land area. This equates to an area of 3,844,020 hectares and represents 35% of the land currently used for

grazing/arable/horticulture. It is over 1/3rd of the area used for food production and does not seem a small proportion to me.

In your consultation document you seem to have no faith in local authorities (councils) ability to manage the development and protection of land. This is a familiar theme, one that also comes through in the freshwater management documents. You wish to send a clear signal to councils that HPL should be considered a matter of National Significance in RMA planning and consenting decisions. If you give HPL National Significance status councils will react and that will be the end of subdivisions both urban and lifestyle. Councils are blunt instruments and they will overreact just as much as you think they are underreacting at the moment. You have tried to soften the NPS-HPL by building in "flexibility" but this is likely to have one of two outcomes. (1) The council doesn't want any ambiguity in their planning and ignore any potential to be flexible. (2) The council is under enormous pressure for urban expansion and ignores the value of HPL. The value of HPL for food production is a fraction of its value in housing and council rates take are value based. A rule is a rule but a flexible rule is nothing.

On page 3 you raise the question about what actually is HPL. Currently it is defined as land use classes 1-3 under the Land Use Capability System. This system was developed by the Ministry of Works in the 1970's and focuses heavily on soils. I agree with you that it doesn't really work as it ignores other factors that you mention under point 13 on page 3. Regional and district councils have a better handle on what is highly productive land in their areas and if it needs protecting or not. Let them make the decisions with input from the communities affected by those decisions.

Pages 4 and 5 you make the point that land available for large scale vegetable growing around urban centres is being lost. You site examples of Pukekohe and Horowhenua and claim 29% of land previously used for vegetable growing was lost to urban development between 1996 and 2012. The key word here is PREVIOUSLY! There is no shortage of vegetables in our supermarkets. I don't doubt the land previously used for vegetable growing has been lost but so has land previously used for sheep and beef farming yet there is no shortage of meat in our supermarkets. Two things will have happened (1) the vegetable growers will have improved their methods and be producing more vegetables off less land and (2) the vegetable growers will have taken the big cash windfall for the land going to urban use and will have purchased cheaper HPL land further away from the city. Let market forces prevail.

Point 23 on page 5 you say there is a lack of clarity under the RMA on how HPL should be managed. Different councils have different approaches from highly restrictive to no restrictions at all. You think councils need to be given national direction on the protection of HPL. I would argue that by region the area of HPL varies greatly. Figures from the "Analysis of Drivers and Barriers to Land Use Change" document quoted earlier show regional variation at 0.07% of land being HPL in Nelson, 0.38% on the West Coast, 3.24% in Auckland, 14.9% in the Waikato, 14.35% in Southland and 21.8% in Canterbury. These are the % of the total NZ HPL area in each region. Of the total HPL close to 50% is in each of the North and South Islands. The councils that clearly define and protect HPL will be those that don't have

much HPL and that have large populations to feed. It is not sensible to require regions such as Southland to place high levels of protection on HPL when they have 551,000 hectares of HPL, a low population and a climate not suited to vegetable growing or horticulture. One size does not fit all.

At many points in this document you point the finger at subdivision and in particular lifestyle block subdivision as the biggest threat to HPL. To some extent the horse has bolted and there is already a profusion of lifestyle blocks around the country. I don't blame people one little bit for not wanting to live in urban environments. I wouldn't want to live in town. Lifestyle blocks are where we started and they provided a pathway to full time farming. I disagree with your comments that lifestyle blocks are unproductive land uses. Many owners of lifestyle blocks sink significant capital into developing their properties with intensive land use and often those that don't lease the unwanted portion to commercial farming. People often buy lifestyle properties with "Rose Tinted Glasses" on and these are often the ones who raise reverse sensitivity issues. They are also the ones who often quickly return to the city to live when the country life is not the ideal lifestyle, they thought it would be. As far as lifestyle blocks being on HPL then those that are have made the best choice, as quality land provides them with more opportunities and much better productivity. We used to live in Canterbury and bought our first lifestyle block there over 30 years ago. We selected the best quality land we could find, checked soil maps and dug holes to verify this. We grew crops and farmed sheep while still working full time jobs. We established lots of shelterbelts and subdivided paddocks. The property when we sold it was in a much better state than when we purchased it. Lifestyle block are not the major loss of HPL that you make them out to be. The area where we lived is now a profusion of lifestyle blocks with a wide range of activities occurring on the land. The council has reduced the minimum area required so there are more people on the same area of land and more intensive land use. Canterbury has the largest area of HPL of any region of the country at 21.8% or 838,425 hectares. I don't see any issue and if there is it is not a central government issue unless you want to do away with councils, run everything from Wellington and paint the flag red!

You make a very inflammatory statement under point 35 on page 8 "The private property right of a land owner does not include the right to change the use of their land. The use of land is subject to regularity controls under the RMA and district plans set out controls on what use can occur where." You quickly back it up saying that residential land owners can't change to commercial or industrial and that rural land owners have no right to subdivide land to residential. Technically you are correct and we must abide by our district plan zone rules, but many of these clearly allow unimpeded land use changes. Much of the land in many districts is zoned rural and farmers are freely able to switch between a wide range of land uses with no consent required. Farmers can run sheep, beef, deer, goats, pigs, chickens, dairy, establish vineyards and horticulture enterprises as individual land uses or as mixed farming operations. The market economy, quality of soils and availability of water usually dictates what they do not the RMA or district council. Subdivision does require a consent and in some districts this is a quick and simple process and in others it is not. If government is going to make a National Policy Statement on HPL then it needs to be based on something tangible going wrong and I don't believe this is the case at regional or district

council level. At this point I want to clearly say I am opposed to the government raising the status of HPL to that of National Significance and there by imposing greater controls and costs on Regional and District Councils and land owners. This whole document is a thinly disguised attempt to take away property rights and reasonable expectations of land owners and there by reducing the value of HPL and the options of HPL owners.

Page 12 point 62 you ask if the NPS-HPL should limit key policies to regions or districts where pressures on the HPL are greatest. I submit that we don't need an NPS-HPL at all and those regions and districts where pressure on HPL resource are high and HPL is in short supply will already have restrictions on HPL in place to protect it. Have you identified the Regions and Districts where this might be the case and asked them?

Page 14 point 69 you try to say that an NPS-HPL and an NPS-UD are compatible which is simply not true and even less so if HPL is given National Significance status as proposed under point 6 page 2. Urban development can be diverted to land that is not HPL if there is any of that available but that in itself would skew the value in favour of poor land over the value of good land. If there is no land available other than HPL and HPL has National Significance then there can be no urban development.

Page 14 point 70 is incorrect where you state that councils will have to balance the Freshwater NES and the HPL objectives. Mr Parker has made it quite clear that he is imposing a moratorium on intensification of land use until water quality improves, which will be at least 5 years but could be a generation. There is clearly a conflict between freshwater objectives and urban development.

Point 72 on page 14 states "It is important to note that cost benefit analysis has limitations in that it was not able to monetarise or quantify a number of benefits or costs." Why should anyone take any notice of your CBA after that statement. As mentioned on page 19 point 92 Treasury does not think much of your CBA and can see a number of unexpected consequences. Your response in point 97 page 20 that it is your "intent to address these limitations in the final CBA following consultation" is a cop out and does not allow meaningful consultation to occur.

This brings me to my final point which is that consultation has not been satisfactory. The primary sector has been deliberately bombarded with multiple large policy and discussion documents at the busiest time of year on farm. These documents all have a range of supporting reports prepared over the last 3-4 years that should be read and there is insufficient time to do this. This is a deliberate attempt to push through major changes effecting the rural sector and the ministers involved Mr Parker and Mr O'Connor should be ashamed of themselves. Mr O'Connor's comments at meetings that farmers need to "GET ON WITH IT!" are arrogant and unhelpful.