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To: [Highly Productive Soils](#)
Subject: High Productive land submission
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Why is the NPS on HPL important to winegrowers?

Land is a critical to the development and operation of a vineyard, and the production of wine. Protecting the ability to grow grapes in appropriate locations is important for the future of our industry. It must, however, be balanced against a recognition that there are valid reasons for land uses to change. For example, vineyard land use change typically occurs because a grower has made a legitimate business choice to sell the land. Categorisation of productive land has traditionally focused on fertile “soils”. However, there are many other factors that determine productive capacity other than soil fertility— especially for vineyards. NZW supports the shift proposed in the NPS to a focus on productive “land”, and the capability of that land to support primary production. Specifically, the objectives of the proposed NPS are to:

2 • recognise the full range of values and benefits associated with the use of HPL for primary production; • maintain its availability for primary production for future generations; and • protect it from inappropriate subdivision, use and development. In principle NZW supports these objectives. Under the proposed NPS, if land is classed as ‘highly productive’ it will be protected from ‘inappropriate subdivision and use’ and therefore it will be more difficult for that land to be developed for residential or commercial purposes. Any protections for vineyard land from the NPS will therefore depend on whether ‘highly productive land’ is defined in a way that adequately captures the value of growing grapes on different types of soils and land. It is important that any NPS provides enough flexibility and guidance around this, so that when councils are identifying HPL in the region they can consider the wide range of factors which make land highly productive for growing grape, including water, climate, soil type and access to labour. Key points that the NZW submission will cover

1. The classification of Highly Productive Land We need to ensure that ‘highly productive land’ is defined in the NPS in a way that captures land which is particularly productive for winegrowers. The proposed NPS advises councils to initially use the existing Land Use Classification (LUC) system as a default mechanism to define highly productive land – with land classed as LUC 1, 2 or 3 being “highly productive land”. Often due to low soil fertility, vineyard land often falls outside LUC 1, 2, and 3. The NPS proposes to give Regional councils a three-year period in which to thoroughly survey land in their region and refine the initial highly productive land classification. This may include classifying additional land as highly productive or removing the classification from some LUC 1, 2 or 3 land. These decisions will be based on a range of factors including:

- the capability and versatility of the land to support primary production (based on the LUC classification);
- the suitability of the climate to support primary production, particularly crop production (e.g. a frost-free climate); and
- the size and cohesiveness of the land area to support primary production.

The proposed NPS also sets out the following optional considerations councils may take into account when identifying highly productive land:

- a. the current or future potential availability of water;
- b. access to transport routes;
- c. access to appropriate labour markets;
- d. supporting rural processing facilities and infrastructure;
- e. the current land cover and use and the economic, social, environmental and cultural benefits it provides; and
- f. water quality issues or constraints that may limit the use of the land for primary production (particularly for more intensive forms of primary production).

The compulsory and optional considerations allow local authorities to take a broader view of “highly productive land” and consider the aggregate benefits land may generate now or in the future. We believe these broad considerations should also take into account the importance of

place in the identity of New Zealand wine (often described as “terroir” or “turangawaewae”), and the unique characteristics that each regions soils give to their wine. NZW will be submitting on the importance of the NPS including providing guidance that requires councils to consider the capacity of land with low-fertility soil to support valuable primary production and will advocate to ensure that the industry has input into defining HPL for vineyards and winemaking. 2. Once HPL is defined – how is it protected? The NPS proposes to protect HPL from ‘inappropriate subdivision, use and development’. What this likely means is that new urban development on HPL could probably only occur when it is the only feasible option and alternative locations and options have been considered and are not appropriate. NZW supports this principle. We consider it appropriate that HPL should only be as a last resort for urban development. [Question to consider: Do you think “only feasible option” is too tough a test? What would happen if vineyard land was classed as HPL, but was no longer economic for grape growing for some reason (e.g. logistics, climate change)? The vineyard owner may want to sell – but there may be few buyers other than for lower value uses. The land value may be much lower than if it could be sold to a developer, but due to the HPL classification that would not be possible. Also, what process will the NPS direct Councils to take when reviewing HPL classification due to a change in factors which mean that the land is no longer as valuable or productive than it previously was?]

3. Reverse Sensitivity Reverse sensitivity is the vulnerability of an existing activity to complaints from newly located activities in close proximity, that are sensitive or incompatible with that existing activity.¹ (e.g. new residential development adjacent to existing vineyard or rural sites). Urban expansion into traditionally rural areas ¹ Valuing Highly Productive Land, A discussion document on a proposed national policy statement for highly productive land, MPI (August 2019) ⁴ can create tension between new activities and historic activities of the community. The NPS will identify typical activities and effects which should be tolerated within rural productive areas and require Councils to restrict ‘sensitive or incompatible’ activities on HPL so they do not compromise the efficient operation of primary production in that area. NZW supports the NPS providing direction to Councils about how to manage reverse sensitivity issues on HPL. 4. What about the range of buildings and activities that take place on or near HPL connected to vineyards? The aim of the NPS is to protect primary production, which is defined to include land and buildings used for production. This would allow for building a winery, but it may not cover vertical integration or the other ancillary activities which are often associated with winegrowing – like cellar doors, winery restaurants and cafes, vineyard tourism accommodation and facilities, etc. These tourism and hospitality elements are equally part of our industry’s core business activities. These ancillary activities are increasingly important to the commercial success of vineyards and they are typically closely connected to the HPL that grows the grapes. NZW will be submitting to ensure that these connected activities are not restricted for vineyard land. 5. Consistency with Proposed NPS Urban Development and changes to Freshwater Management The Government has also released another proposed National Policy Statement on Urban Development (NPS-UD), and the consultation documents can be found here. The NPS-UD provides direction to local authorities about when and how cities should plan for growth and how to do this well. It aims to remove unnecessary restrictions on development, to allow for growth ‘up’ and ‘out’ in locations that have good access to existing services and infrastructure. NZW will submit on this consultation, to ensure a consistent approach to HPL. The NPS-UD will be of particular importance to regions that are experiencing significant growth, and likely reduced land supply. It will also be important for the NPS-UD to acknowledge the potential reverse sensitivity issues at the rural urban boundary, and either provide guidance to councils to address this or cross-reference to the NPSHPL.

We are wine growers and support the wine growers submission

Your hosts,

Bob and Zeta Pringle