



Proposed National Policy Statement for Highly Productive Land

Submission Template

We would like to hear your views on the proposed National Policy Statement for Highly Productive Land (NPS-HPL).

Please feel free to use this template to prepare your submission. Once complete please email to soils@mpi.govt.nz.

You can also make a submission using the online submission tool. A link to the online submission tool is available at www.mpi.govt.nz/HighlyProductiveLand.

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Are you submitting on behalf of an organisation? Yes [X] No []

If yes, which organisation are you submitting on behalf of?

DairyNZ Ltd



Foreword

DairyNZ is the industry good organization representing New Zealand's dairy farmers. Our purpose is to secure and enhance the profitability, sustainability, and competitiveness of New Zealand dairy farming. Our work, which is funded by a levy on milk solids and government investment, includes:

- Research and development to create practical on-farm management tools;
- Leading the adoption of best practice farming;
- Promoting careers in dairying; and
- Actively engaging in national and regional policy development processes that shape the farm business environment.

DairyNZ supports the problem definition stated in the *Valuing highly productive land* discussion document and has provided feedback on selected questions set out in the submission template.

It is important to note that DairyNZ supports the principle of flexible land use in New Zealand. Allowing landowners to choose, within regulatory limits, what they farm and how they farm within best practice guidance has allowed New Zealand to become the most efficient producer of dairy, and a number of other agricultural products, in the world. It has allowed New Zealand to grow new export industries like, such as wine, where once we were only minor producers. This land use flexibility includes shifting land uses between agricultural or horticultural practices and extends to shifting land use out of production altogether into natural landscapes, tourism, recreational or urban land use.

New Zealand dairy farmers also pride themselves on being completely open to foreign and domestic competition. New Zealand has advocated abroad for an even global agricultural playing field to support a more efficient global food system that is better able to deliver food and nutritional security.

However, in New Zealand we do have several regulations that control what land can and cannot be used for within our towns and cities. Our towns and cities have rural-urban boundaries and we plan where new housing developments will go. Town planners will face a choice between pushing a city to the west or to the east, for example.

In such a choice key factors considered may be the cost of building infrastructure and the amenity value of the land.

Here we agree with the problem definition that the RMA presently has a lack of clarity on how the value of highly productive land should be considered. It is in this context that we have provided our support for a National Policy Statement that will allow city and town planners to consider the costs and benefits of highly productive land when considering future urban growth.



Section 2.3: Defining highly productive land [page 19]

What are the values and benefits associated with highly productive land?

We agree that the values and benefits articulated in the discussion document are accurately represented. Highly productive land also directly supports community livelihoods (culturally, economically, and socially), and to our nation's economic growth. Additionally, agriculture and horticulture usage of our highly productive land contributes to domestic and global food security.

The dairy sector is New Zealand's largest exporter of goods and generated export earnings of \$18.1 billion in the year ended June 30 2019, and this is projected to rise 2.8% for the year to June 2020 (<https://www.mpi.govt.nz/news-and-resources/economic-intelligence-unit/situation-and-outlook-for-primary-industries/>).

These earnings are attributed to over a million hectares of dairying on LUC classifications 1-3, and over 800,000 hectares of dairying on LUC classifications 4-8 (internally derived data).

In addition to its economic potential, highly productive land also contributes to our nation's biodiversity and ecosystem services and provides a buffer from stochastic climate and weather events.

What are the values and benefits associated with existing food growing hubs and how can these be maximised?

NO COMMENT PROVIDED

Section 3.1: Problem statement [page 23]

Does the RMA framework provide sufficient clarity and direction on how highly productive land should be managed? Why/why not?

We agree with the indicative cost-benefit analysis in that there is a concerning lack of clarity regarding how highly productive land should be provided in zoning and resource consent processes. This has led to observed inconsistent decision-making, particularly in relation to how the retention of highly productive land should be weighed against other considerations.



Does the RMA framework provide sufficient clarity on how highly productive land should be considered alongside competing uses? Why/why not?

No. The lack of clarity on how highly productive land is to be considered alongside competing issues has seemingly lead to relative ease in productive land conversion to such purposes as rural lifestyle development.

How are values and wider benefits of highly productive land being considered in planning and consenting processes?

NO COMMENT PROVIDED

Section 3.2: Urban expansion on to highly productive land [page 24]

How is highly productive land currently considered when providing urban expansion? Can you provide examples?

NO COMMENT PROVIDED

How should highly productive land be considered when planning for future urban expansion?

The value of highly productive land should be considered alongside other costs and benefits of urban expansion such as housing costs and quality, infrastructure costs, natural capital and amenity.

Section 3.3: Fragmentation of highly productive land [page 25]

How is highly productive land currently considered when providing for rural-lifestyle development? Can you provide examples?

NO COMMENT PROVIDED

How should highly productive land be considered when providing for rural-lifestyle development?

As per section 3.2, the value of highly productive land should be considered alongside other costs and benefits of development such as housing costs and quality, infrastructure costs, natural capital and amenity.



Section 3.4: Reverse sensitivity [page 26]

How should the tensions between primary production activities and potentially incompatible activities best be managed?

We consider the proposed management of reverse sensitivity as articulated in the discussion document is an adequate means of mitigating tensions before they arise. In addition to what is proposed and if not already an established practice, we recommend that regional councils and/or territorial authorities fully disclose existing any activities that may cause reverse sensitivity prior to activity commencement.

Additionally, councils and/or authorities may wish to consider time constraint activity agreements where actions which may cause an identified reverse sensitivity would only take place between particular hours as long as the time constraint does not cause conflict with business operations and profitability.

How can reverse sensitivity issues at the rural-urban interface best be managed?

In addition to what is proposed, we recommend the following to be explored and considered as management options:

- For regional and/or territorial authorities to consider implementation of a registerable No Complaints Covenant between the entity causing the affect(s) and the sensitive activity. For an example, please refer to (<https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/district-and-regional-plans/district-plans/central-area-district-plan/Pages/central-area-district-plan-annexures.aspx>) Annex 16.
- As recommended above, full disclosure of existing and potential activities which can/may cause reverse sensitivity at the beginning stages of enquiring processes, and utilising tools such as No Complaints Covenants.

Section 3.5: These issues are being seen throughout New Zealand [page 26]

Do you agree that there is a problem? Has it been accurately reflected in this document?

We agree that under the RMA there is a lack of clarity on if and how highly productive land should be managed.

We agree there are concerning issues of losing highly productive land to urban expansion and life-style block development. The cost-benefit assessment (CBA) commissioned for this consultation highlights critical limitations in the assessment, notably the importance of not monetising the intrinsic value of natural capital in the form of highly productive land.



An additional limitation is the difficulty of capturing the value of wellbeing. The wellbeing of farmers and growers is a critical aspect to family and the wider community. We recommend in the final CBA post-consultation that wellbeing of the farmers and growers, including their staff, associated families, and the surrounding community is valued and taken into consideration and compared against the wellbeing of those benefitting from fragmentation for life-style development.

Are you aware of other problems facing highly productive land?

In addition to those mentioned in the discussion document, we are cognisant of the following additional issues facing highly productive land:

- The need for greater knowledge regarding soil degradation (<http://www.fao.org/soils-portal/soil-degradation-restoration/en/>), soil health (physical, chemical and biological) and resilience (<https://www.landcareresearch.co.nz/science/soils-and-landscapes/soil-health>). We need further research into the close relationships between farming and growing practices, and with the long-term sustainability of soil productivity.
- A need for better understand of how our highly productive land and land cover contributes to ecosystem services.
- A need for better resourcing to ensure support is available for stakeholders to assist in their understanding of how the different pieces of relevant legislation interact; for example, how this National Policy Statement will interact with any nutrient management rules and general legislative influences on land use.

Section 4.5 Preferred option – a National Policy Statement [page 31]

Which option do you think would be the most effective to address the problems identified in Chapter Three? Why?

We support the Government's recommendation that a National Policy Statement (NPS) for Highly Productive Land is the most appropriate mechanism to address the highlighted issues. As noted in the discussion document, an NPS will allow councils the flexibility to manage their high productive land in a tailored manner which would be best suited to individual regional circumstances.

No matter which method is chosen, alignment is essential. Additionally, we highly recommend for terminology to be consistent with other legislation, and for any potential ambiguities in understanding, which may lead to interpretation issues, be remedied prior to finalisation.



Are there other pros and cons of a National Policy Statement that should be considered?

NO COMMENT PROVIDED

Are there other options not identified in this chapter that could be more effective?

NO COMMENT PROVIDED

Section 5.2 Purpose of the proposed National Policy Statement [page 34]

Should the focus of the National Policy Statement be on versatile soils or highly productive land more broadly? Why/why not?

We consider that the focus should remain on highly productive land, rather than versatile soils. Soil versatility is based on bio-physical variables that enable the soils to be utilised for a wide range of growing purposes. Highly productive land refers to the value of land as a function of its outputs/productivity. Limiting the National Policy Statement to versatile soils would exclude less versatile soils which may be highly productive (e.g. viticulture).

Should the focus of the National Policy Statement be on primary production generally or on certain types of food production activities? Why/why not?

We recommend for the focus of the National Policy Statement (NPS) to be on primary production. Limiting the NPS to only certain types of food production would inhibit full and thorough consideration of other highly productive land uses by authorities planning urban and rural development. It also does not take into consideration future land use possibilities / production conversions.

Limiting the NPS to only certain types of food production would also limit our potential for future innovation and adaptation and could potentially create maladaptive feedback processes.

Section 5.3 The scope of the proposal [page 35]

Do you support the scope of the proposal to focus on land use planning issues affecting highly productive land? Why/why not?

We support the proposed scope to focus on land use planning issues affecting highly productive land as it endeavours to address the issues confirmed by *Our Land 2018*.



What matters, if any, should be added to or excluded from the scope of the National Policy Statement? Why?

NO COMMENT PROVIDED

Should future urban zones and future urban areas be excluded from the scope of the National Policy Statement? What are the potential benefits and costs?

No. We recommend for future urban areas already identified in proposed district plans to be included in the scope of the National Policy Statement. The exclusion may result in detrimental consequences to the occupants farming or growing on the land and to regional and national economic performance.

Should the National Policy Statement apply nationally or target areas where the pressures on highly productive land are greater?

We support the proposal of a phased implementation approach, targeting areas of greater pressure first. A phased approach will allow other councils adequate time to prepare for implementation and will also assist the Government in prioritising targeted guidance and technical assistance to councils as mentioned in the discussion document.

Section 5.4 The proposed National Policy Statement [page 37]

What would an ideal outcome be for the management of highly productive land for current and future generations?

Ideally, the management of highly productive land will ensure the long term sustainability of food security and agricultural production in New Zealand. Population pressure in New Zealand will continue to increase and we will need to plan for change at a landscape scale.

Policy 1: Identification of highly productive land [page 41]

If highly productive land is to be identified, how should this be done and by whom?

This could best be conducted by an Independent Crown Research Institute with appropriate expertise, under the oversight of a joint Ministry for Primary Industries/Ministry for the Environment-led working group, with representatives from each primary sector.



Are the proposed criteria all relevant and important considerations for identifying highly productive land? Why/why not?

We support the proposed criteria as they are relevant and important considerations. We also recommend an addition criterion of councils needing to consider the natural capital value in terms of provided ecosystem services on a landscape/catchment scale.

Policy 2: Maintaining highly productive land for primary production [page 42]

What are the pros and cons associated with prioritising highly productive land for primary production?

Pros: Ensuring highly productive land is safeguarded for current and future generations; aggregating life-style block development on non-highly productive land; smarter consideration during urban development planning.

Cons: Increased resource requirements by councils to implement the National Policy Statement; potentially restricting landowners' ability to on-sell the land (if the land is permitted to change land uses under the underlying zone rules in the district plans); creation of potential barriers to urban development.

The potential impacts on land value should be carefully considered as this can have a significant economic impact.

Alignment with the Urban Growth Agenda [page 43]

Do you think there are potential areas of tension or confusion between this proposed National Policy Statement and other national direction (either proposed or existing)?

Yes, there is potential for tension and confusion between the this proposed National Policy Statement (NPS) and other national direction such as, but not limited to, NPSs for Urban Development, Freshwater Management, and Indigenous Biodiversity as well as National Environment Standards for Freshwater.

It will be important to ensure the clear alignment, including terminology and definitions, between the policies including incentives and feedbacks.

We understand that rivers in the Pukekohe area will require large reductions in nitrogen loss to meet proposed new bottom lines in the NPS for Freshwater Management. In situations where this may occur, in the event that Freshwater bottom lines can only be



achieved by shifting land out of food production, this action could be inconsistent with the intention of this proposed NPS.

How can the proposed National Policy Statement for Highly Productive Land and the proposed National Policy Statement on Urban Development best work alongside each other to achieve housing objectives and better management of the highly productive land resource?

NO COMMENT PROVIDED

Policy 3: New urban development on highly productive land [page 45]

How should highly productive land be considered when identifying areas for urban expansion?

We support the proposed Policy 3, in principle, with the following recommendations:

- Consideration to include a cost-effective analysis where economic costs would be compared to the effects of different rural subdivision planning options or courses of action (including effects from an increased population and increased food production demands of a growing population and decreased availability of highly productive land).
- If not already a part of regional processes, the consideration of an additional subclause to the effect of: Once clause 3a and 3b are given effect, the appropriate council is to hold a public consultation process which results will be taken into consideration for planning developments.

Policy 4: Rural subdivision and fragmentation [page 46]

How should the National Policy Statement direct the management of rural subdivision and fragmentation on highly productive land?

We recommend the consideration to include setting a regionally appropriate minimum retention threshold of highly productive land as queried in section 5.5 of the discussion document. "Maintaining the productive capacity of highly productive land" as stated the proposed policy 4 could be ambiguous and open to interpretation.



Policy 5: Reverse sensitivity [page 47]

How should the National Policy Statement direct the management of reverse sensitivity effects on and adjacent to highly productive land?

In addition to what is proposed and if not already an established regional process, we recommend that regional councils and/or territorial authorities fully disclose existing and potential activities that may cause reverse sensitivity.

Upon the exhaustion of full disclosure and management possibilities and instances where health and safety have been taken into account, we recommend a further option for regional and/or territorial authorities to consider implementation of a registerable No Complaints Covenant between the entity causing the affect(s) and the sensitive activity. For an example, please refer to (<https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/district-and-regional-plans/district-plans/central-area-district-plan/Pages/central-area-district-plan-annexures.aspx>) Annex 16.

Policies 6 and 7: Consideration of private plan changes and resource consent applications on highly productive land [page 49]

How should the National Policy Statement guide decision-making on private plan changes to rezone highly productive land for urban or rural lifestyle use?

NO COMMENT PROVIDED

How should the National Policy Statement guide decision-making on resource consent applications for subdivision and urban expansion on highly productive land?

NO COMMENT PROVIDED

Section 5.6 Implementation [page 52]

What guidance would be useful to support the implementation of the National Policy Statement?

NO COMMENT PROVIDED



Specific / technical questions

The questions below are included in the outline of the proposed NPS-HPL (Chapter Five of the discussion document) and may assist technical experts when providing a submission.

Specific questions

Section 5.3: The scope of the proposal [page 35]

How should the National Policy Statement best influence plan preparation and decision-making on resource consents and private plan changes?

NO COMMENT PROVIDED

Should the National Policy Statement include policies that must be inserted into policy statements and plans without going through the Schedule 1 process? What are the potential benefits and risks?

Policies which may excuse going through the Schedule 1 process could alleviate some of the signification delays and appeals of the Environmental Court. However, the Schedule 1 process is the mechanism to ensure council and district authorities give effect to National Policy Statements and provide an opportunity for the local community to assess whether their councils have given effect appropriately and effectively. Relieving councils of the mandate to go through the Schedule 1 process may present too much of a risk to stakeholders and land management decisions.

What areas of land, if any, should be excluded from the scope of the proposed National Policy Statement? Why?

NO COMMENT PROVIDED

Specific questions

Section 5.4: The proposed National Policy Statement [page 37]

What level of direction versus flexibility should the objectives provide to maintain the availability of highly productive land for primary production?

The level of direction versus flexibility should be guided by a clearly defined purpose and recognition of the range of current and potential future values of highly productive land.



This legislation represents, and should be recognised, as a first step towards integrated landscape planning for New Zealand that seeks to support land use planning that will lead to the right land use, in the right place, for the right purpose.

While currently focussed on the protection of high value agricultural land from urban encroachment, it is important to recognise that in order to effectively plan land use spatially, a wider range of values need to be taken into account, including environmental and cultural values. For example, where should wetlands be restored in the landscape in order to best process nutrients? How can we best plan landscapes to support biosecurity values, for example limiting the spread of (potential) pests? How can we plan landscapes to support biodiversity, including corridors, and mahinga kai?

While we do not currently have the answers to the above questions, it will be important to formulate the NPS so as not to negatively impact on other values in future, or to limit more integrated spatial planning as we work to better understand these questions.

Should the objectives provide more or less guidance on what is “inappropriate subdivision, use and development” on highly productive land? Why/why not?

The discussion document states, “What is appropriate or not will depend on the local context and actual impacts of development on highly productive land.” We appreciate the flexibility this allow councils to determine what is appropriate or inappropriate in their local context; however, this could lead to inconsistencies in the methodologies in this determination. We recommend for the Government to work with local councils to develop assessment guidelines or principles which could have broad relevance nationally to provide consistency throughout the regions.

Specific questions

Policy 1: Identification of highly productive land [page 41]

What are the pros and cons of requiring highly productive land to be spatially identified?

Pros: Better coordinated land use planning, and a valuable data set at a national level for all sectors. It will also catalyse important conversations around the best land use in a given area and may have positive knock-on effects for coordination between sectors.

Cons: As discussed under other sections, there are a number of risks, including:

- Effects on land prices;
- Risk of defining the value of land in too narrow a context (e.g. omitting environmental, cultural and potentially alternative approaches such as agritourism)



- Risk of conflicting messages if indicators used are not well, coordinated at different scales and between different pieces of legislation;
- It will be essential that the spatial data layers are freely available and accessible, and managed at national level.

Is the identification of highly productive land best done at the regional or district level? Why?

This should be done as a collaborative effort by the relevant councils at regional and district levels, under national level guidance. Doing so may also provide an impetus for better communication and coordination of other relevant activities.

What are the likely costs and effort involved in identifying highly productive land in your region?

NO COMMENT PROVIDED

What guidance and technical assistance do you think will be beneficial to help councils identify highly productive land?

We consider technical assistance and guidance from the national level is imperative to the establishment of a national, highly productive land spatial dataset. National assistance will alleviate resource and expertise barriers within councils whilst providing national consistency for database fabrication and maintenance.

Specific questions

Appendix A: Criteria to identify highly productive land [page 41]

Should there be a default definition of highly productive land based on the LUC until councils identify this? Why/why not?

We support the default definition of highly productive land as being LUC 1-3 as this will support immediate consideration in urban and rural life-style block development planning.

What are the key considerations to consider when identifying highly productive land? What factors should be mandatory or optional to consider?

It will be important to consider the interactions with other changes in the productive landscape, in particular a potential increase in diversification of farming systems, and incorporation of agritourism ventures.



As other legislation seeks to promote less intensive agriculture, it will be important to be clear about the value we are seeking from highly productive land. The potential role of niche products and agritourism ventures on smaller blocks of land close to cities requires specific attention. These may represent one important future pathway and should not be unduly impeded.

What are the benefits and risks associated with allowing councils to consider the current and future availability of water when identifying highly productive land? How should this be aligned with Essential Freshwater Programme?

The current and future availability of water is an essential element in land use planning and must include consideration of climate change impacts, nutrient issues (including those identified in Essential Freshwater) and also the long-term impacts of irrigation on soil health.

An integrated approach to consideration of these issues is essential to support a clear direction for land use planning.

Should there be a tiered approach to identify and protect highly productive land based on the LUC class (e.g. higher levels of protection to LUC 1 and 2 land compared to LUC 3 land)? Why/why not?

NO COMMENT PROVIDED

Specific questions

Policy 3: New urban development on highly productive land [page 45]

How can this policy best encourage proactive and transparent consideration of highly productive land when identifying areas for new urban development and growth?

We recommend consideration of an additional clause, if not already incorporated into regional processes, for a regional public consultation period to occur and considered during the planning processes.

How can the proposed National Policy Statement for Highly Productive Land best align and complement the requirements of the proposed National Policy Statement on Urban Development?

NO COMMENT PROVIDED



Specific questions

Policy 4: Rural subdivision and fragmentation [page 46]

Should the National Policy Statement provide greater direction on how to manage subdivision on highly productive land (e.g. setting minimum lot size standards for subdivisions)? If so, how can this best be done?

We support setting minimum lot size standards for subdivisions. In addition to the consideration of retention of the productive capacity of the individual subdivided lots, we recommend an additional consideration to the retention of the productive capacity of the combined subdivided lots if the subdivided lots do not undergo land use change.

Should the proposed National Policy Statement encourage incentives and mechanisms to increase the productive capacity of highly productive land (e.g. amalgamation of small titles)? Why/why not?

We support the encouragement of incentives and mechanisms to increase the productive capacity of highly productive land to address historic fragmentation via title amalgamation, in principle. We encourage councils to be cognisant of any barriers title amalgamation may cause to landowners regarding future planning. We encourage councils to provide support to landowners who wish to take part in such incentive to be fully transparent with any perceived barriers and assist in development of barrier mitigations.

Specific questions

Policy 5: Reverse sensitivity [page 47]

How can the National Policy Statement best manage reverse sensitivity effects within and adjacent to highly productive land?

We recommend full disclosure of any existing activities that may cause reverse sensitivity. Additionally, upon the exhaustion of full disclosure and management possibilities and instances where health and safety have been taken into account, we recommend a further option for regional councils and/or territorial authorities to consider implementation of a registerable No Complaints Covenant between the entity causing the affect(s) and the sensitive activity. For an example, please refer to (<https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/district-and-regional-plans/district-plans/central-area-district-plan/Pages/central-area-district-plan-annexures.aspx>) Annex 16.



Specific questions

Policy 6 and Policy 7: Consideration of private plan changes and resource consent applications on highly productive land [page 49]

Should these policies be directly inserted into plans without going through the Schedule 1 process (i.e. as a transitional policy until each council gives effect to the National Policy Statement)? What are the potential benefits and risks?

NO COMMENT PROVIDED

How can these policies best assist decision-makers consider trade-offs, benefits, costs and alternatives when urban development and subdivision is proposed on highly productive land?

NO COMMENT PROVIDED

Should the policies extend beyond rural lifestyle subdivision and urban development to large scale rural industries operations on highly productive land? Why/why not?

NO COMMENT PROVIDED

Specific questions

Section 5.5: Interpretation

Do any of the draft definitions in the National Policy Statement need further clarification? If so, how?

Regarding highly productive land, we recommend for local authorities to including land identified in proposed district plans in the highly productive land identification process. The exclusion of these areas may result in detrimental consequences to the occupants farming or growing on the land and to the regional and national economic contribution.

Regarding residential activity, we recommend to amended the definition to include, "including for rural lifestyle devleopment".

Are there other key terms in the National Policy Statement that should be defined and, if so, how?

Should there be minimum threshold for highly productive land (i.e. as a percentage of site or minimum hectares)? Why/why not?

NO COMMENT PROVIDED



Specific questions

Section 5.6: Implementation [page 52]

Do you think a planning standard is needed to support the consistent implementation of some proposals in this document?

NO COMMENT PROVIDED

If yes, what specific provisions do you consider are effectively delivered via a planning standard tool?

NO COMMENT PROVIDED

Specific questions

Section 5.7: Timeframes [page 52]

What is the most appropriate and workable approach for highly productive land to be identified by council? Should this be sequenced as proposed?

NO COMMENT PROVIDED

What is an appropriate and workable timeframe to allow councils to identify highly productive land and amend their policy statements and plans to identify that land?

The agreement on timeframes will be dependent on the level of committed resourcing and expertise to ensure the National Policy Statement (NPS) is implemented efficiently and with high standards. A phased approach to NPS implementation at pace and scale will help to ensure councils are not over committed and under resourced to implement all the upcoming legislation.

Please use the space below to provide any additional comments you may have.

NONE