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Ministry for Primary Industries
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Submission on a proposed National Policy Statement on Highly Productive Land

Introduction

1. The Taranaki Regional Council (the Council) thanks the Ministry for Primary Industries for the opportunity to make a submission on a proposed *National Policy Statement on Highly Productive Land* (NPS HPL or NPS).
2. The Council makes this submission in recognition of the purpose of local government set out in the *Local Government Act 2002*, and the role, status, powers and principles under that Act relating to local authorities. In particular, the Council's comments are made in recognition of its:
 - functions and responsibilities under the *Local Government Act 2002* and the *Resource Management Act 1991* (RMA); and
 - its regional advocacy responsibilities whereby the Council represents the Taranaki region on matters of regional significance or concern.
3. The Council has also been guided by its Mission Statement '*To work for a thriving and prosperous Taranaki*' across all of its various functions, roles and responsibilities, in making this submission.
4. This submission has been made by Officers on behalf of the Council, as a result of timing constraints associated with local body elections. This submission has therefore yet to be formally endorsed by the Council. The Policy and Planning Committee of the Council next meets on 19 November and will consider the submission. If any changes are made to the submission following this meeting they will be immediately forwarded to the Ministry.
5. The Council continues to work closely with district councils in the region in the interests of promoting the integrated management of resources and has consulted with district councils in the region in making this submission.
6. The Council notes that feedback on the discussion document is sought on the policy intent of the objectives and policies rather than the specific wording of the proposed objectives and policies in the proposed NPS.

Problem statement

7. The Council agrees that New Zealand's most productive land is coming under increasing threat from urban and rural lifestyle development and that this trend is cause for concern, particularly in high growth areas.
8. However, general statements in the discussion document '*Valuing highly productive land*' state that there is a lack of clarity on how highly productive land should be managed under the RMA. This is stated to be leading to highly productive land being given inadequate consideration under the RMA with more weight being given to other matters and priorities which in turn, is leading to uncoordinated urban expansion and fragmentation of highly productive land when alternative locations may be available.
9. The Council acknowledges that there is a lack of specificity on how highly productive land should be managed and for what purposes under the RMA. However, this is also the case for many other resources in that the RMA does not state what the most (or least) favourable use of the resource is.
10. The Council questions the reasons why the protection of highly productive land is 'being given inadequate consideration under the RMA' when there is ample opportunity under the Act now, to protect highly productive land from urban expansion and lifestyle development through regional policy statements and district plans. If loss of this land is an issue the Council would expect councils to have considered the relevant statutory provisions, to have analysed the costs and benefits of a range of alternative options to deal with that issue and to have developed an appropriate policy or regulatory response.
11. The discussion document notes that a number of councils already have very good district plan provisions for the protection of highly productive land (i.e. through recognition of versatile soils in district plans).
12. In developing its *Regional Policy Statement for Taranaki (RPS)*, the Council looked at this issue and after public consultation, concluded that it was not an issue of regional significance that required a separate and specific policy response.
13. In 2010, the Council also undertook a review of its RPS, as well as completing an interim review in 2017. In both cases the protection of highly productive land for primary production was again not identified as an issue that needed a specific or detailed regional level policy response of the sort contemplated by the proposed NPS. Furthermore, making the protection of highly productive land for primary production an explicit goal via a NPS may or may not alter the outcome being sought. This is because in many cases where this issue has arisen, there are significant population growth pressures, very real constraints on where urban development can be located and a lack of feasible alternative options.
14. The Council submits that a more in-depth analysis of the costs and benefits of introducing a NPS on protecting highly productive land for primary production be undertaken. This should look closely at the scale and impact of the problem and where such policies might apply, rather than employ a blunt 'one-size-fits-all' solution that has all councils carrying out costly and time consuming mapping and analyses that in many cases will not be required. Further comment on this is provided below.

15. The Council agrees that urban expansion and fragmentation is occurring within areas of highly productive land. However, this issue requires careful consideration in formulating an appropriate response, if unintended consequences are to be avoided. The Council raises for consideration whether a national policy statement seeking to protect such land from 'inappropriate development' would in fact see a major shift of urban development to alternative locations, where the total resource costs of development (including infrastructure and commuting costs, access to employment and services, climate change impacts etc.) are likely to be much higher and be in areas where people may well choose not to live.
16. The fact is that many of our towns and cities are surrounded by highly productive land and face limited choices in trying to accommodate high urban growth demands but to expand onto immediately surrounding land. The Council acknowledges that more attention can and should be focused on building up (higher urban densities) as well as building out and to redirecting rural lifestyle developments to less highly productive land. Such policies will assist with this issue.
17. However, the protection of highly productive land, if it is made a national priority in a NPS, may result in unintended outcomes in terms of unfulfilled housing demands, affordability and supply problems in the face of rapidly expanding populations in some areas.
18. The Council considers that it may be better to adopt a more nuanced NPS that targets some areas with more directive policies (while still offering flexibility to provide for urban growth on highly productive land in appropriate circumstances), and other areas where the protection of highly productive land is a matter to be considered in decision-making under the RMA (see below). This would give the issue the prominence that some councils are calling for without predetermining what a full analysis may reveal as a preferred option for urban expansion in particular cases.
19. The Council therefore strongly believes that the NPS could be effectively merged with the *National Policy Statement for Urban Development* (NPS UD), as there are strong overlapping matters for consideration between the two NPS's. At the very least, greater consideration needs to be provided for the inter-relationships between these two national planning documents.

Should a NPS apply everywhere or only to certain areas

20. The discussion document (page 52) recognises that the nature of highly productive land and the pressures on it vary considerably between regions and within regions. To assist with implementation and to focus efforts where the pressures are greatest, the discussion document suggests that the NPS could apply certain policies to different areas.
21. The Council agrees with these statements.
22. In Taranaki, we have large areas of land classified as Land Use Capability (LUC) classes 1-3 (see map in Attachment 1). At a regional scale these areas are not under serious threat of being lost to urban expansion or lifestyle block fragmentation. Extending the definition of 'highly productive land' to other less versatile land use classes would not be a regionally significant issue for Taranaki.

23. The only area in Taranaki where there is significant population and lifestyle growth pressure is in and around New Plymouth but here future urban growth areas have been carefully selected by the New Plymouth District Council in relation to existing urban centres and a range of other factors.
24. The Council considers that a 'one size fits all' approach to the issue of the loss of highly productive land will lead to over regulation in many cases. The Council submits that the NPS could require detailed mapping with associated policies to be applied to major urban centres or high growth districts with high proportions of highly productive or versatile land. More general requirements, that still required highly productive land to be considered in the decision-making process, could apply to some or all other areas. This would target the main or substantive policy response to those areas where there are known or likely foreseeable issues, and not subject other areas to unnecessary costs.
25. This approach would be consistent with the proposed *National Policy Statement on Urban Development*. This proposed NPS targets the most directive policies to our largest and fastest growing urban areas while for smaller local authorities who do not face the land use pressures of the faster growing areas have lesser obligations.

High costs of doing the work

26. The discussion document proposes that all regional councils will have three years to complete detailed mapping of highly productive land and amend their regional policy statements to include mapped areas and related objectives and policies. District councils will have five years to give effect to the NPS.
27. There will be significant costs to all regional councils in implementing the proposed NPS. For a start, the process of LUC mapping at 1:50,000 or 1:63,360 is not of sufficient resolution to accurately identify where mapped areas sit in relation to property boundaries. This will require considerable effort and financial resources to complete this work for all categories of highly productive land across the region and should be supported by central government.
28. The Council suggests that Council's share of this mapping exercise should be aligned with the development of long term plans so that the funding needed could be included in successive funding cycles.
29. In addition, councils will need to go through a plan change process to give effect to the NPS. The discussion document estimates that changes to RPSs are likely to be of the order of \$1.5 million on average. The Council has not estimated what these costs are likely to be in Taranaki, but they will be significant, unbudgeted and come on top of other policy directions from central government in freshwater management, urban development, product stewardship, indigenous biodiversity and three waters review (among others).
30. The costs and affordability of repeated and substantial new policy requirements being imposed on local government by central government is a serious issue that requires urgent attention. This issue was highlighted by the Productivity Commission in its recent report '*Local government funding and financing*' in which it found as follows:

'Central government is sometimes passing new responsibilities and functions on to local government without adequate analysis, including consideration of the range of council circumstances. This can result in regulation that is "one size fits all", making it unfit for purpose, or particularly costly to implement, in some localities' (page 257).

This is what the Productivity Commission has referred to as 'unfunded mandates'.

31. The Council therefore submits that a more targeted policy response focusing on those parts of the country where the loss of highly productive land has become or is likely to become an issue may be justified but should follow a more thorough investigation of the costs and benefits of regulatory intervention.
32. In other areas, standard policies could be developed as part of the NPS if a closer analysis of costs and benefits and alternatives justified that course of action. In these situations, the NPS could require that they be automatically included in RPSs without using the Schedule 1 process under the RMA. This would significantly decrease the implementation costs to councils.
33. An alternative approach that should also be investigated, is for central government itself to do the mapping work at the appropriate scale, to identify those areas that are at risk from further urban expansion and where feasible alternatives exist. After appropriate consultation, these areas could be included in a NPS. This approach would avoid the need for all regional councils and district/city councils to do this work independently, using different methods and techniques with each being subject to lengthy and costly public consultation and appeal processes.

Reverse sensitivity

34. The inclusion of a policy to require territorial authorities to amend their district plans to address reverse sensitivity issues is supported. The Council has experienced instances of sensitive or incompatible activities being established near primary production operations which have then caused problems for this Council in its resource consents processes. This is despite the operators adopting best practice methods of mitigating environmental effects.

Conclusion

35. The Taranaki Regional Council again thanks the Ministry for Primary Industries for the opportunity to comment on proposals for a national policy statement on highly productive land.
36. The Council believes that more work is required on the scale and impact of the problem and the likely benefits and costs of alternative regulatory responses before a final NPS is proposed.
37. The Council also submits that an NPS on highly productive land should be targeted to those areas where the pressures are greatest with perhaps more generalised policies applicable to other areas. The option of central government itself completing a comprehensive risk assessment and mapping exercise before embarking on a nationwide NPS should be given serious consideration.

38. The NPS could be effectively merged with the NPS UD, as there are strong overlapping matters for consideration between the two NPS's.
39. There are also high costs to all councils in completing the work proposed by the NPS and this comes on top of other unbudgeted work being directed to local government by central government. This situation requires attention by central government as a matter of urgency.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'A D McLay', with a long horizontal flourish underneath.

A D McLay
Director - Resource Management

Attachment 1: Taranaki Land Use Capability classes 1-3

