

# SUBMISSION ON VALUING HIGHLY PRODUCTIVE LAND

**To:** Ministry for Primary Industries [soils@mpi.govt.nz](mailto:soils@mpi.govt.nz)

**Submitter:** Fulton Hogan Limited.

## Background

### Fulton Hogan Limited

Fulton Hogan is one of New Zealand's largest roading and infrastructure construction companies. Within New Zealand, Fulton Hogan employs close to 4700 staff.

Fulton Hogan undertakes numerous activities including:

- Gravel extraction, both within river beds and within land-based quarries/pits;
- Aggregate processing and storage;
- Land use and infrastructure development and maintenance activities, either directly or on behalf of third parties (including roading contracts for the State Highway on behalf of the NZ Transport Agency, and local roads on behalf the territorial authority);
- Asphalt and bitumen manufacture and bulk storage;
- Pre-cast concrete manufacture and storage;
- Hazardous substance use, transport and storage; and
- Workshops, transport depots, storage yards, staff offices, and supporting infrastructure (including wastewater, stormwater, and potable water).

The activities of Fulton Hogan contribute to the sustainable management of resources for the wider benefit of people and communities. Where aggregates and aggregate-based products are not available (including at a reasonable cost), this has a fundamental effect on the ability of communities to provide for roading, building and other infrastructural requirements vital to their needs.

## Background

Accessing, extracting, processing and transporting aggregate (crushed rock, gravel and sand) is needed for the construction of infrastructure in New Zealand. A wide range of industrial minerals is also produced in New Zealand including clay, limestone, perlite, halloysite, bentonite, zeolite, silica, dolomite and serpentine. Quarrying is a highly productive use of land and in most cases is a temporary land use, with site restoration a critical element to ensure that land is available for future generations. In many cases, site restoration can result in the delivery of land for future primary production or valuable new habitats, contributing towards national biodiversity targets and wider 'net gain' ambitions.

We make the following submissions in relation to the discussion document on a proposed national policy statement for highly productive land.

## General submission points

### Definition of Primary Production

We are concerned that this discussion document uses a definition of “primary production” which is inconsistent with the National Planning Standards introduced by this Government and gazetted in April 2019.

The first set of national planning standards focused on the core elements of plans, i.e. their structure and format, along with standardising common definitions and improving the electronic accessibility of plans.

The Government’s 2019 National Planning Standards define primary production as:

<b>primary production</b>	means: <ul style="list-style-type: none"><li>a. any aquaculture, agricultural, pastoral, horticultural, mining, quarrying or forestry activities; and</li><li>b. includes initial processing, as an ancillary activity, of commodities that result from the listed activities in a);</li><li>c. includes any land and buildings used for the production of the commodities from a) and used for the initial processing of the commodities in b); but</li><li>d. excludes further processing of those commodities into a different product.</li></ul>
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MfE made the decision to include mining and quarrying in the above definition because most mineral extraction occurs in rural areas and that the RMA definition of “productive land” is used for a limited purpose and does not define all primary production activities (Ministry for the Environment. 2019. 21 Definitions Standard – Recommendations on Submissions Report for the first set of National Planning Standards).

In order to retain consistent definitions across planning documents, and avoid confusion and potential conflict, the 2019 National Planning Standards definition of primary production should be used in the proposed National Policy Statement (NPS) – Highly Productive Land.

In many regions of New Zealand, quarrying is the most highly productive use of land for primary production.

In 2016/17, the revenue per land mass comparison showed the following revenue generated per hectare from various primary production activities:

Dairy \$ 6,928 /ha

Beef/lamb \$ 749 /ha

Horticulture \$ 10,166 /ha

Quarrying \$ 78,012 /ha

(Note: Estimates calculated from available data)

In 2017, the New Zealand aggregate and quarrying sector produced 41 million tonnes of aggregates, including limestone and other products, with an economic contribution to New Zealand estimated at \$2.8 billion. While it is correct that most councils typically consider highly productive land as Class 1-3 under the Land Use Capability (LUC) classification system, there are other highly productive land uses.

The reference to “highly productive land” recognises there are other factors in addition to soil that determine the productive capacity of land for primary production and this is certainly the case with quarrying. These include factors listed such as climatic conditions, water availability, proximity to transport infrastructure and labour. These factors also include location of aggregate sources, local demand, proximity to market (urban fringes) and potential for future productive use of the land once quarrying is completed.

### **Overview of issues facing highly productive land**

#### Reverse sensitivity – when new land uses conflict with existing uses

An important issue for quarries operating in areas of both urban and rural growth is reverse sensitivity. This occurs, when a new activity (i.e. residential) sensitive to the effects of another existing activity (i.e. quarrying) locates in close proximity to the existing activity. Complaints from the new activity lead to restrictions or cessation of the existing activity. This has the potential to sterilise future greenfield resources and severely restrict or lead to the closure of existing quarries. This in turn leads to quarries having to locate further from urban areas resulting in increased costs for more remotely sourced aggregate and lost opportunities for the local economy.

Currently, the cost of a tonne of aggregate doubles when it must travel 30 kilometres from a quarry, with additional costs for each extra kilometre thereafter. By ensuring quarries are close to their markets transport costs, transport congestion and carbon emissions are significantly reduced.

This NPS will give local authorities greater direction in planning for key resource areas, in order to protect existing and future quarries from encroachment of non-compatible land uses such as urban expansion and rural lifestyle developments, thus reducing the potential for reverse sensitivity effects to arise.

We acknowledge that the management of reverse sensitivity effects is not just about imposing constraints on new sensitive and potentially incompatible activities. The quarry industry works collaboratively with local communities and councils to reduce environmental impact to the extent practicable and meet legal requirements of environmentally sustainable operations (Canterbury Quarry Industry Alluvial Code of Practice 2019).

#### **What does this mean for whenua Māori?**

Whenua Māori (Māori land) is highly valued by Māori for a range of reasons, including its productive value for a variety of primary production activities. Māori have significant interests in the resource sector and in retaining access for historical, cultural and economic reasons.

Archaeological evidence of early Māori tools, weapons and ornaments demonstrate Māori have been extracting mineral resources since 1400 AD, within 150 years of Māori settlement. Former quarries have been identified where blocks of adzite and obsidian were excavated, and fragments trimmed to a convenient size. In addition, many Māori work and have business interests in the aggregates sector. The percentage of Māori employed in mining and quarrying is much higher than / almost twice as high as the equivalent figure for the population as a whole.

## **The problem we want to solve**

The lack of clarity under the RMA means highly productive land is given inadequate consideration by local government.

It is critical that central and local government ensure that growing populations will have adequate housing and infrastructure, and that adequate supply of aggregate and sand is protected from increasing pressure on the highly productive land near urban centres. The estimated population rise of between 5.3 and 7.9 million by 2060 will require approximately 1.2 million new homes to be built over the next 40 years. That is 30,000 new homes every year each requiring an average of 250 tonnes of aggregate (7.5 million tonnes p.a.).

In the case of quarrying, the value of preserving highly productive land for primary production is not difficult to quantify by councils at a district or regional level. Unlike agriculture or other forms of primary production, a comparison of land-use outcomes in financial terms for quarrying will favour primary production activities over other land uses.

Inadequate consideration of highly productive land is resulting in the progressive loss of this valuable resource for primary production. Adequate provision must be made in planning documents to recognise existing and potential aggregate and sand deposits and provide for their extraction. Quarry materials are not universally available and can only be sourced from where they are located; without planning to provide for adequate access to resources at workable locations there is the real risk of losing access to such proximate resources.

## **Options for solving the problem**

We support a stand-alone NPS as it will provide considerable improvements in how highly productive land is considered and managed by councils. The NPS should protect highly productive land from “inappropriate subdivision, use and development”, which will help to maintain the availability of highly productive land for primary production for future generations, as well as provide a higher degree of flexibility for councils to consider and respond to local circumstances when giving effect to the NPS.

## **Policies**

### **Policy 1 – Identification of highly productive land**

We generally support the proposed Policy 1 wording. It is important that in identifying highly productive land that councils use the National Planning Standard definition of “primary production”. It is also important that all relevant evidence be sought by councils in establishing the factors that determine the productive capacity of land for primary production.

### **Policy 2 – Maintaining highly productive land for primary production**

We support the proposed Policy 2 wording.

It is vital that local aggregate resources throughout the country are identified, appropriately protected from urban encroachment, and able to be developed for extraction subject to appropriate environmental controls and site restoration planning.

Ultimately, once a resource is sterilised through urban development, it is unlikely that it will ever be accessible for future extraction of the underlying resource. Conversely, if a resource is extracted prior to urban development occurring, it is still possible to develop the land for future urban development. Many examples of this are present within New Zealand, including Three Kings and Mt Wellington Quarries in Auckland have been developed into attractive and thriving residential development areas. Thus, quarrying can occur prior to urban development, enabling the economic benefits of both

activities to accrue, but this cannot occur in reverse. Where urban development is not anticipated in the foreseeable future on highly productive land, this land can typically be restored to a similar soil classification as it was previously using stored topsoil and subsoil materials. Many examples of this also exist throughout New Zealand including the former Matangi Sand Plant in the Waikato.

**Policy 5 – Reverse sensitivity**

We support and suggest addition to the proposed Policy 5 wording.

The purpose of setbacks is to trigger additional scrutiny of an activity by giving councils the ability to assess an activity’s effect on amenity values as a result of the activity. It also provides an indication to regional council consent planners as to the appropriate location of these activities. Such scrutiny is needed to protect aggregate resources from encroachment by housing and other non-compatible land uses. In many council areas, quarrying is the most highly productive use of urban fringe land and therefore should be protected from housing encroachment, particularly lifestyle blocks which are amongst the lowest value use of land. We suggest that guidance be provided to councils on reverse sensitivity when rural or primary production land and activities abut territorial authority boundaries, particularly when a rural focussed council neighbours an urban focussed council.

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