



Stakeholder Workshops on Potential National Policy Statement for Highly Productive Soils

Summary of key themes

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Stakeholder Workshops on Potential National Policy Statement for Highly Productive Soils

- Summary of Key Themes

Ministry for Primary Industries and Ministry for
the Environment

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REPORT INFORMATION AND QUALITY CONTROL

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1 INTRODUCTION

In April 2018, the Minister for the Environment instructed officials to develop a National Policy Statement for Versatile Land and High-Class Soils (NPS for Highly Productive Soils)¹. This work is being led by Ministry for Primary Industries with support from the Ministry for the Environment.

The purpose of this document is to provide a summary of the key themes from initial workshops with representative stakeholders that discussed the planning and other issues associated with versatile and high-class soils (highly productive soils) and a potential NPS for Highly Productive Soils.

Three workshops were held in Auckland, Wellington and Christchurch between 20 and 25 September 2018 and involved representatives from local government (regional and district councils), the horticulture industry and other primary sector representatives. The workshops were also attended by officials from the Ministry for Primary Industries and Ministry for the Environment and were facilitated by 4Sight Consulting. The aim of the workshops was to collect a representative range of perspectives from stakeholders that are actively involved in the planning issues surrounding highly productive soils to help define the potentially competing issues and perspectives. It is anticipated that further engagement with stakeholders, including iwi and other parties, will be undertaken once the issues are refined.

Section 2 of this report provides a summary of key themes from the workshops and Section 3 provides a summary from each of the three workshops. This report is not intended to be a detailed record of discussions at the workshops, but an overview of the key views and perspectives expressed by participants. The findings from these workshops will be used to inform the next steps in policy development.

2 SUMMARY OF KEY THEMES

2.1 What are the issues?

- Defining the issue and the potential need for national direction should be based on a more detailed spatial understanding of the drivers/pressures that are resulting in the loss of productive soils throughout New Zealand. This is important as the issues and pressures on productive soils vary locally and regionally.
- There was general feedback that the scope of the issues and actual problems related to highly productive soils needed to be better defined and supported by a clear evidence base. Most participants were of the view that the issue is broader than the loss of productive soils to urban development. It also includes fragmentation of land, reverse sensitivity arising from encroachment of sensitive land uses into rural production areas and constraints on land-use flexibility; all of which can impact on the effective and efficient use of highly productive soils.
- There was recognition that there is no shortage of high class soils nationally – this is not the issue. However, to be highly productive high class also require a range of other factors to be favourable including climate, water, slope and access to processing facilities and markets. The issue is the loss of land with high productive value and retaining the versatility of this land to sustain production now and in the future.
- While the issue is wider than horticulture, there is recognition that horticulture has some unique characteristics that makes it more vulnerable to urban expansion than other primary sectors. This includes reliance on higher quality soils, water requirements, proximity to urban centres/markets, critical mass of processing facilities and access to labour markets.
- Industry sectors, both horticulture and pastoral farming, pointed to the increasing average age of their members. Where there is no family succession in the business, this can lead to a desire to sell land for urban or rural residential use to maximise returns from the land. This is a particular risk for horticulture land as this land is often highly attractive for urban and lifestyle, due to its close proximity to urban areas and desirable climate.

¹ <https://www.beehive.govt.nz/release/environment-report-highlights-serious-land-issues>

- Security of food supply was considered an issue, and importantly this should include affordability of food for local markets. The ability to provide sufficient produce at a cost that is affordable to New Zealand's growing population needs to be considered. This should be considered in the context of the global market where the future ability of New Zealand to import vegetables and crops to replace lost domestic supply is not certain.

2.2 Key planning issues and problems

- Key risks to the loss of productive soils include fragmentation of productive land (lifestyle block development, owners wanting to subdivide), urban expansion (physical loss of the soil resource) and reverse sensitivity effects (the encroachment of more sensitive land uses into rural production areas).
- The loss of productive soils to urban development is not necessarily an issue for the horticultural sector if there is the ability for horticulture production to move to suitable land elsewhere. However, there are often other constraints that act as a barrier to this such as land availability and price, climate, regional controls (particularly nitrogen use), availability of water, and the critical mass of supporting processing facilities etc. These constraints are often not considered when providing for urban expansion onto productive soils.
- Councils are dealing with competing priorities and national direction. In particular, the National Policy Statement for Urban Development Capacity (NPS-UDC) and National Policy Statement for Freshwater Management (NPS-FM) require councils to provide for urban growth and manage water quality/quantity – these requirements may potentially conflict with an NPS on Highly Productive Soils. For example, horticulture is an intensive land use with high nutrient inputs. As a consequence, some plans have placed constraints on new and existing horticultural production to give effect to the NPS-FM, which may conflict with a requirement to enable horticulture on highly productive soils. This is more related to the methods that councils are using to give effect to the NPS-FM (e.g. caps on certain types of land uses), but it should be possible to provide for horticulture production and meet NPS-FM objectives.
- Current planning approaches generally do not consider the overall food system and how land use decisions in a region or district affect food production and supply at the local, regional and national level. Participants generally agreed that councils need to consider these broader inter-regional issues better and 'look beyond their patch' when making decisions about land use change on productive soils. For example, ensuring when decisions are being made that will result in productive soils being lost to urban development in one area, there is the ability (and willingness) for horticulture production to move to suitable land elsewhere in the region or an adjacent region.
- Regional and district considerations can be better integrated when planning for urban expansion and protecting rural production. District plans include land use controls for urban growth and rural production, but there may also be regional controls (e.g. nutrient limits) constraining rural production.
- Growers generally recognise the need for good management practices such as rotation to protect soil health. However, increasing land prices are creating pressures on growers to do less with more. Regional controls to manage water quality and give effect to the NPS-FM are limiting the flexibility of growers to rotate crops which can have adverse effects on soil health.
- Participants generally recognised there is a need for better protection of highly productive soils and that property rights are limited by laws and regulations. However, regulatory approaches also need to recognise the rights of landowners to use their land and not lock land into a particular use. Retaining a degree of land use flexibility on productive soils is essential.

2.3 Current planning approaches

- The level of direction and protection afforded to productive soils in regional policy statements (RPS) and plans varies and logically relates to the importance of the issue in the region/district. Reasons for limited direction to protect land with highly productive soils within planning documents include:
 - The protection of soils is not perceived to be a regionally significant issue and is considered less important than other issues within the region – particularly in areas facing significant urban growth pressures;

- A perception that there are sufficient other areas of highly productive soils available, without an understanding of the constraints or other factors that may constrain the ability to productively use those soils;
- Priority is given to the more local pressing issues such as urban development and water quality compared to food production which is seen to be more of a regional/national issue;
- A lack of clear direction in Part 2 of the RMA on highly productive soils compared to previous legislation; and
- A lack of political will/support to protect soils particularly where there is a strong desire to encourage development/growth within a district.
- Conversely, some RPSs and plans provide quite strong direction to protect productive soils. In some cases this direction is strong at the policy level but this does not flow through the rules, which can limit the effectiveness of the overall approach. Evidence from some regions indicates that direction to protect productive soils at the policy level has not been sufficient to protect these soils from fragmentation and development.
- Some plans provide specific zones for highly productive areas/food hubs which have been relatively effective to protect these areas for this purpose. However, there is still the potential for fragmentation/reverse sensitivity issues within these zones as landowners seek to subdivide land for capital return. Inevitably plan drafters face a dichotomy between protecting soils and providing a landowner reasonable use – for example an additional dwelling on their property. Often the cumulative effect of relatively minor changes can lead to ‘creep’ of sensitive land uses into production areas. In addition, there can be greater reverse sensitivity effects from land use change to more sensitive activities (e.g. schools) along the boundary of productive zones where there is no buffer in place.
- Urban limits are used in some regions to contain urban development and protect rural production outside the urban limits, which can be an effective approach. However, these limits are not permanently fixed and can be moved through subsequent plan changes in response to other issues.
- The way productive soils are defined in plans varies. Most plan provisions are based on Land Use Capability (LUC) classes with a range of terminology used (e.g. high-class soils, prime soils, elite soils, versatile soils etc.) and plans differ in what class of soils are protected (or subject to more stringent rules). Participants recognised that the LUC is not perfect for planning purposes with the following issues identified:
 - Relatively low-class LUC soils can still be productive (e.g. good water availability can make soils suitable for certain crops and high value crops such as grapes are typically grown on low class soils).
 - Scale of mapping can mean that some high-class soils are not identified as such and can then be lost to subdivision/urban development.
 - There is no ability to input more detailed data into a national LUC database.
- Minimum lot sizes remain a key method to retain the productive capacity of rural areas, but this can be a contentious issue. A larger lot size helps to protect some forms of production but there is also a recognition that some productive uses (for example horticulture) can be economically viable on smaller lot sizes. Some plans include provision for smaller lot sizes in rural areas for horticulture production.
- Most councils now recognise the fragmentation of land with highly productive soils is an issue and include provisions to manage this and the associated reverse sensitivity effects. However, many councils are dealing with historical fragmentation issues that are difficult to address retrospectively (even if they haven’t been taken up) and once productive land is lost to development it is very difficult to get it back. Some plans include provisions to create larger sites for rural production, which is having some up-take, but the market also needs to be right to provide the necessary incentives.
- Some councils are using techniques such as transferable development rights to incentivise the protection of land with highly productive soils and aggregation of fragmented land titles.

2.4 The scope and nature of national direction

- It is important to clearly identify the scope of any national direction and the issues/problems it seeks to address. This needs to be informed by robust evidence and a more detailed spatial understanding of the pressures and planning approaches that are resulting in the loss of productive soils across New Zealand.
- There was general agreement that the issue is broader than just protecting productive soils – it is about the effective and efficient use of soils and productivity as a whole, which depends on a range of factors. This means

that national direction should consider also focussing on enabling the productive use of high-class soils, not just protecting these soils through land use controls.

- There was general agreement that there needs to be some flexibility in any national direction. It needs to recognise the diversity of soils and urban development/rural lifestyle pressures throughout New Zealand. Any national direction should provide a strong direction for the protection of highly productive soils and associated productive capacity, while providing sufficient flexibility to enable land use change in response to market and other conditions.
- National direction could be focused on areas within New Zealand where the pressures/issues with productive soils and food supply are the greatest. This may involve an approach similar to the NPS-UDC where there are general directions that apply across New Zealand and more specific provisions in high growth areas. This would ensure that there is greater recognition of the need to protect highly productive soils and associated production nationally, while at the same time directing more specific protection and effort in the productive areas/food hubs that are facing the greatest pressure.
- Matters that national direction on highly productive soils could usefully address include:
 - How to balance competing considerations (e.g. urban growth capacity, water quality and quantity, rural production) and how to reconcile tensions between different national instruments. There is a need to ensure relevant national instruments are aligned and ‘integrate with each other’ as additional national direction is developed.
 - The overall food system and consideration of cross boundary issues for local, regional and national food markets and supply. This could include direction to consider how land use decisions that result in the loss of productive soils affect food supply more broadly and the realistic ability of horticulture and other production to move to other locations when productive soils are lost to urban development.
 - Clarity, consistency and a common understanding of what highly productive soils are. While this may be based on LUC, it should also take into account other considerations that impact on the effective and efficient use of productive soils. A common definition of highly productive soils/land with high production value could then support thresholds for protection.
 - Direction to undertake a regional assessment to identify high class soils that are suitable for production that considers a range of factors in addition to LUC (climate, water, access, constraints etc.). There could then be a requirement to identify these areas as productive zones and provide strong protection of these areas for rural production. There could also be a requirement to protect highly productive land with existing horticultural hubs while allowing some flexibility for future use. Ideally, decisions in respect of other matters (i.e. water allocation/nitrogen loading etc) should align with decisions to protect land with the productive soil resource. That is, if a soil resource is to be protected for production, it should be able to be used for that purpose.
 - Raising the importance and consideration of land with highly productive soils when planning under the RMA. This would provide greater transparency about the criteria used to determine the value of the land resource for production and how land with productive soils is considered when making urban planning/land-use decisions under the RMA.
 - Direction to manage the cumulative effects of fragmentation of land with highly productive soils and associated reverse sensitivity effects.
- What is directed through national direction will have a bearing on success. For example, will it provide direction for policy statements, plans and/or consent authorities.

2.5 Options to provide national direction and pros/cons

Options to provide national direction discussed at the workshops and their pros and cons are summarised below.

Status quo	
Pros	Cons
<ul style="list-style-type: none"> - Works well in some areas – particularly those areas that have strong protections for productive zones and/or or are not subject to urban growth issues - Many plans already include provisions to protect/manage productive soils - Does not impose any additional obligations or costs on councils 	<ul style="list-style-type: none"> - Productive soils continue to be given insufficient protection/weight in planning decisions due in part to the difficulty in quantifying the effect of losing productive soils - The use of highly productive soils for domestic food supply continues to be poorly considered in planning and decision-making - Inconsistent terminology/definitions for highly productive soils with different meanings - Inconsistent rules for highly productive soils within and between regions - Decisions on soils continues to be based on information at a scale that is not fit for purpose resulting in the misclassification of soils

National policy statement	
Pros	Cons
<ul style="list-style-type: none"> - Would elevate productive soils/food supply as an issue to consider when planning under the RMA - Could provide direction to protect productive soils/food hubs while allowing some flexibility - Provides more flexibility for local pressures and solutions than other national instruments - Could ensure there are better regional assessments of productive soils and greater transparency in how these are protected/managed under the RMA - Promote better consideration of inter-regional and district/regional issues - Promote better consistency in terminology and methodologies - Consistency for growers operating in multiple regions - Reduced litigation for councils and communities - Could prioritise locations where provisions apply to focus on where the biggest issues are (similar to NPS-UDC) 	<ul style="list-style-type: none"> - Requires good evidence base - Does not achieve same level of consistency as NES - Risk that it does not achieve desired results if the provisions are not directive enough - May have limited impact where competing priorities take precedence - Creates resourcing pressures for councils - May conflict with other national direction and cause tensions for councils - It could take a number of years to influence resource consent decisions if councils needed to amend their policy statements and plans first

National environmental standard	
Pros	Cons
<ul style="list-style-type: none"> - Ensures national consistency in the protection of productive soils - Consistency for growers operating in multiple regions - Can have immediate effect (or be staged if deemed appropriate) - Reduced litigation for councils and communities 	<ul style="list-style-type: none"> - Too absolute/inflexible if applied nationally and could lead to perverse outcomes - Does not allow for local circumstances, values or solutions - Would be difficult to get it right across the country - Would take longer to develop - May inappropriately limit land use flexibility - Needs robust evidence base - Quality and scale of information (LUC) does not support NES – different regions/districts have different priorities and soil resources

Amend the RMA – make the production of productive soils a matter of national importance or an ‘other matter’ (RMA s 6 or 7)	
Pros	Cons
<ul style="list-style-type: none"> - Elevate the importance of productive soils so that it is not just another matter to consider - Greater consistency in plan provisions and decisions - Would ensure greater transparency in how productive soils are considered under the RMA 	<ul style="list-style-type: none"> - Long lag time to see change in plan provisions (although would influence consent decisions immediately) - Highly uncertain as to whether amendments to Part 2 of the RMA would be progressed through the legislative process - Potential to result in unsustainable growth of the primary sector - Raises wider issues with Part 2 of the RMA

Non-regulatory options – guidance, improved information on soils, targeted rates,	
Pros	Cons
<ul style="list-style-type: none"> - Help inform better decision-making - Can help to inform and improve practice - Targeted rates could incentivise growers to stay on land and continue producing - Greater flexibility than non-regulatory options 	<ul style="list-style-type: none"> - Guidance does not have any teeth – relies on uptake - No guarantee of behaviour change - Targeted rates would be a form a subsidy to one primary sector

3 SUMMARY OF WORKSHOPS

This section provides an overview of the views and perspectives expressed at the three workshops in Wellington, Auckland and Christchurch. It is not intended to provide a detailed record of each workshop but instead provide a high-level overview of the key issues and perspectives raised at each workshop.

3.1 Summary of Wellington Workshop - 20 September 2018

Council representatives	Industry representatives
<ul style="list-style-type: none"> - Gisborne District Council - Horizons Regional Council - Greater Wellington Regional Council - Horowhenua District Council - Manawatu District Council - Hastings District Council* - Hawkes Bay Regional Council* 	<ul style="list-style-type: none"> - Horticulture New Zealand - Woodhaven Gardens

*Unable to attend workshop but provided an opportunity to comment on the notes.

3.1.1 Current approaches to protect and manage highly productive soils

- Approach taken in RPS varies and depends on the nature of the issue within the region. For example, there is limited highly productive soils in their region which means there is limited direction in the RPS.
- The extent of soils throughout a region can also be highly variable which means a one-size fits all approach is problematic at the regional level. Approach RPS has taken is to provide direction to district plans and then get involved at that level.
- Plans generally not well set up to consider the implications of urban expansion into highly productive soils. Need to consider the ability of horticultural production to move elsewhere when planning and providing for urban development. This should be explicit in section 32 evaluations.
- Regional and district issues need to be considered better when planning for urban expansion and rural production. Need to recognise that while urban planning is largely a district issue there may be constraints on horticulture production in regional plans which makes it difficult to locate elsewhere (e.g. nutrient limits).
- Plan has strong direction to protect the productive soils in flats close to the city centre – RPS provides clear direction and a rural production zoning for class 1-3 soils that restricts other activities within the zone. There is still some incremental development/subdivision, which is largely related to existing landowners wanting to get return on their land rather than urban expansion. Ability to manage cumulative effects an issue.
- Productive soils have been considered as part of wider rural/rural-residential reviews – need to understand where people want to live and why, then include provisions to protect productive soils/land. This also allows growth to be focused around existing centres and rural lifestyle subdivision to be better managed.
- Minimum lot size is a key tool to protect the productive capacity of land – 20-50 ha has been used although it is recognised that some forms of horticulture can be viable on much smaller lot sizes.
- Plan makes distinction between versatile (Class 1 and 2) and non-versatile soils based on historical approach. This distinction is based on the LUC; not perfect but generally works well.

3.1.2 Current planning issues and problems

- It is not just about soils - there are a range of issues to consider in addition to soil that make it suitable for production (water quality, water availability, price, access, labour, processing facilities etc.). All these factors need to be considered when managing and protecting rural production.
- There is increasing pressure for urban development, which results in horticulture production slowly being displaced. For example, horticulture production had to move north from Lower Hutt to Otaki and now there is

increasing growth/urban pressure in this area. This has displaced growth out of the Wellington Region and into Horowhenua, where the Horizon's OnePlan nitrogen allocation rules do not provide a consenting pathway for commercial vegetable production.

- Productive soils have also been lost to the encroachment of major infrastructure, particularly the major roading projects extending north from Wellington. The roading improvements are largely positive for growers, by providing reliable transport from the Horowhenua growing area to the Wellington market. However, once the roads of national significance from Wellington to Otaki are complete (planned 2020), Horowhenua is likely to become more attractive for urban and lifestyle development. This is likely to exacerbate urban expansion pressure on the only significant growing area focused on serving the Wellington domestic fresh vegetable market.
- Horticulture is facing increasing constraints/pressures as councils give effect to NPS-FM, as this is seen as a high nutrient yield industry/intensive land use. This is making it very difficult to establish new horticulture production in some regions. It can also make it difficult to rotate crops which is important to maintain soil health. Technology and management practices can assist to some extent, but nutrient input is essential to grow crops. Land prices are also putting pressure on growers to do more with their land.
- The issue is not that urban expansion or water quality limit setting that restricts growing should not occur at all on highly productive soils - it is more related to whether there is the ability to relocate elsewhere that is suitable for production and there are a range of factors that determine this (soils, water availability, regional controls, access, price etc.). When productive land is lost to housing market forces may not provide for its replacement given that growers selling land to urban development are often exiting the industry) and the establishment costs for new growers may be too high to develop new areas for production.
- Current planning approaches do not consider the full food system – this needs to be better considered at the local, regional and national level when planning under the RMA. Cross-regional issues need to be considered better – e.g. the ability to serve large urban markets from adjacent regions. Councils need to look 'beyond their patch' when planning for rural production and not just the availability of soils but also the other constraints that may exist.
- Strong planning provisions require political recognition that productive soils are an issue before there is a will to manage the issue. Productive soils must compete with all the other regionally significant issues that regional councils are required to address.
- Historical fragmentation from past planning approaches is a common issue – very difficult to manage this once it has occurred and productive capacity is generally lost. Fragmentation often relates to financial drivers – landowners wanting to get a better return from land when retire.
- Reverse sensitivity can be a key issue for the sector, particularly where fragmentation and rural-residential development has occurred. Rural areas that are desirable to live in are also generally good areas for growing. Plan provisions need to recognise the working rural nature of these areas and protect this.
- Councils are dealing with competing divers and national direction (e.g. NPS-UDC, NPSFM).
- Urban planning tends to be prioritised over rural issues.
- Case law has identified a range of factors that need to be considered when identifying whether soils should be protected for production – not particularly favourable and generally resulted in loss to urban expansion.
- Often existing centres are located on productive soils – this means urban expansion logically extends into these soils.
- Need to think about the ability to provide for local and international markets – needs are slightly different. Horticulture production for local markets needs to be located close to these markets and have good access – this means there is inevitably tension with urban development.
- There are limitations of the LUC to identify productive soils. Many regions have more detailed data but there is no opportunity at present to put this data into national database.

Problem statement 1# (refer to **Appendix A for the draft problem statements)**

- Recognise that the ability to effectively and efficiently use productive soils is based on a range of factors.
- Need to recognise that some crops cannot be imported (e.g. salads) and need to be sourced locally.

- ‘Productive soils’ are not necessarily limited to LUC Class 1-3 soils – there are lower classes of soils that can support high production, but these soils may have more limited uses, so may not be as versatile.
- Affordability and access to local produce also needs to be factored into the problem.

Problem statement 2#

- Regional controls (e.g. water allocation, nutrient limits) need to be included as these can constrain the use of productive soils.
- Retaining allocation of water for root stock/crop survival is an issue that needs to be better managed/provided for.
- The ability to maintain soil health relies on the use of good management practices such as rotation and this is restricted in some regions.
- The issue is not about loss of soils as there is not a shortage of productive soils nationally – it’s about the loss of the productive capacity of the soils due to a range of pressures.
- Land will naturally convert to the highest value use and urban development will always be more profitable than rural production. The definition of highest value is not assessed over a sufficient time frame to consider the cost to future generations associated with the loss of productive soils to urban development. However, urban expansion is not an issue everywhere – any national direction needs to recognise this.

Problem statement 3#

- Labour markets, density of employment, critical mass, climatic factors are also specific issues for horticulture.

3.1.3 The scope and nature of national direction

- Any new national direction on highly productive soils could usefully address the following issues:
 - How to balance competing considerations (e.g. urban growth capacity, water quality and quantity, rural production) and how to reconcile tensions between different national instruments. There is a need to ensure national instruments are aligned and ‘talk to each other’.
 - The overall food system and consideration of cross boundary issues for local, regional and national food markets and supply. This could include direction to consider how land use decisions relating to productive soils affect other locations.
 - Clarity on what are highly productive soils – should this be based on LUC but also take into account other considerations.
 - The range of factors that need to be considered when identifying whether high class soils are suitable for production (access, constraints etc.). There could be a requirement to undertake this assessment at the regional level, zone these areas as productive zones and protect them for rural production. There could also be a requirement to protect existing food hubs by mapping these as ‘no-go’ for incompatible land uses (with some flexibility).
 - Raise the importance and consideration of food supply when planning under the RMA. This could recognise that local food supply is the priority but this is not the only reason to protect productive soils for food production.
 - The need to consider where displaced horticulture land can relocate to and the viability of relocation
 - How to consider productive soils when undertaking spatial planning/urban development exercises.
- Need to clarify exact purpose and scope of any national direction e.g. soils, horticultural production or primary production more broadly. General agreement that this needs to be broader than just soils – it about the effective and efficient use of soils which depends on a range of factors.
- Limiting the focus to protecting soils may not address the problem. If the focus is on protecting the productive capacity of land, then the scope needs to be broader. Any national direction needs to enable production not just protect soils.
- Any national direction should be informed by a strong evidence base on the problem it seeks to address.
- General agreement that there will need to be some flexibility in any national direction – it should not be a blunt instrument.

3.1.4 Options to provide national direction and pros/cons

Status quo	
Pros	Cons
<ul style="list-style-type: none"> - Works well in some areas – particularly those areas that have strong protections for productive zones and/or or are not subject to urban growth issues - Many plans already include provisions to protect/manage productive soils - Does not impose any additional obligations or costs on councils 	<ul style="list-style-type: none"> - Productive soils continue to be given insufficient protection/weight in planning decisions due in part to the difficulty in quantifying the effect of losing productive soils - The use of highly productive soils for domestic food supply continues to be poorly considered in planning and decision-making - Inconsistent terminology/definitions for highly productive soils with different meanings - Inconsistent rules for highly productive soils within and between regions - Decisions on soils continues to be based on information at a scale that is not fit for purpose resulting in the misclassification of soils

National policy statement	
Pros	Cons
<ul style="list-style-type: none"> - Could elevate food production/domestic food supply as an issue to consider when planning under the RMA - Could provide direction to protect existing food hubs while allowing for some flexibility - Prioritises this as an issue for council planners - Provides more flexibility than other national instruments - Could ensure there are better regional assessments of productive soils and ensure the productive capacity of these soils is maintained/protected ▪ Potential to develop an NPS that was targeted to particular areas (e.g. Pukekohe). Benefits of this option is that it could be pilot for the rest of NZ, save time for planners, and it focuses on addressing issues where they exist - Potential for NPS to adopt an approach like NPS-UDC where different requirements apply depending on how important the issues are within the district/region 	<ul style="list-style-type: none"> - May have limited impact in practice where competing priorities take precedence - Could potentially lock in land use, limit flexibility and impact on the economy of districts - Will not address changes in land use due to market pressures - Will need additional incentives

National environmental standard	
Pros	Cons
<ul style="list-style-type: none"> - Provides teeth - Has immediate effect 	<ul style="list-style-type: none"> - Too restrictive - Needs lots of evidence - Blunt tool - Removes ability to address locally specific issues

Amend existing national direction

- There is also potential to amend existing national direction to recognise the importance of productive soils:
 - NPS-UDC could be amended to require consideration of productive soils when planning/providing for residential and business capacity with a strong preference to avoid these areas where practicable; and
 - NPSFM could be amended so that food production is a compulsory national value. However, it was also noted that this may not be appropriate given the focus of the NPS-FM.

Amend the RMA

- Potential to amend Part 6 so productive soils are a matter of national importance – similar to Town and Country Planning Act. Benefits of this option include elevating the significance of productive soils in all RMA decisions, supporting economic growth, and ensuring a more explicit assessment of productive soils through section 32 analysis. Disadvantages of this option include productive soils would still be just another matter that councils must consider, potentially allowing the unsustainable growth of primary sector, and a potentially very broad scope across the primary sector.

Other options/incentives

- Consider options that sit outside RMA, such as tax incentives etc. could be progressed on their own or support other options. This would provide greater flexibility than regulatory options.

3.2 Summary of Auckland Workshop - 24 September 2018

Council representatives	Industry representatives
<ul style="list-style-type: none"> - Northland Regional Council - Auckland Council - Waikato Regional Council - Bay of Plenty Regional Council - Far North District Council - Whangarei District Council - Matamata-Piako District Council - Tauranga City Council - Western Bay of Plenty District Council - Waikato District Council* 	<ul style="list-style-type: none"> - Horticulture New Zealand - Jivan Produce - A S Wilcox and Sons - Balle Bros Group Limited

*Unable to attend workshop but provided an opportunity to comment on the notes.

3.2.1 Current approaches to protect and manage highly productive soils

- There are a number of considerations associated with this issue and it can result in a lot of litigation. ‘Where practicable’ creates the wrong distinction between elite and prime soils in terms of when these need to be protected.
- The Rural Urban Boundary (RUB) in the Auckland Unitary Plan is not fixed – this still gets challenged and moved through the Environment Court. Development strategies and structure plans have identified productive soils for urban development.
- Plan provisions introduced incentives (development rights) to create larger sites to address historical fragmentation and these provisions are having some uptake. However, the market also needs to be right to act as an incentive.
- Policy approach in RPS is to protect rural production outside urban limits and identify versatile land (LUC1-3). However, there is still historical and current issues around fragmentation and reverse sensitivity.
- Level of protection depends on growth pressures in the district – in some areas any form of development is seen as desirable and plan provisions enable this.
- Level of protection in RPS not strong as high productive soils limited to discrete areas in the region – not seen as a regionally significant issue.
- RPS includes direction to manage ‘high class soils’ – allocates responsibility to district councils. Evidence suggests this approach has not been effective to protect these soils.
- Scale of LUC creates issues – means that in some situations high-class soils are not identified as such and are lost to urban development.
- Regional controls to give effect to NPS-FM placing constraints on new horticultural production.
- Plan permissive of rural lifestyle subdivision as there was perception all development good. This has led to loss of land to rural lifestyle blocks that will not revert back to production. However, there is now increasing recognition that this needs to be better managed to protect rural production/productive soils.
- Productivity not just about soils – good water availability can provide beneficial growing conditions for certain crops on lower classes of soils.
- Plan change has created separate rural lifestyle and rural production zones, with controls on development/growth being stronger in the production zone. Increasing minimum lot size is one method to protect rural production. Has been set as low as 4ha in the past but has now increased to 20 ha in the productive zone.
- Plan includes requirements to demonstrate the soils that subdivision will be on, with tougher requirements for subdivision on high class soils.

- Plan includes different minimum lot sizes for different types of rural zones and a smaller lot size for horticulture than other productive uses - recognising that it can be productive on smaller sites.

3.2.2 Current planning issues and problems

- There is a need to better define problem statements with evidence on the loss of productive soils and what is causing this (e.g. fragmentation v urban expansion).
- Two key issues for the horticulture industry:
 - Domestic food supply – if productive land displaced need to understand the effects of this on food supply at local, regional and national level; and
 - Versatility of soils more broadly – there are increasing constraints on the effective and efficient use of soils due to a range of pressures.
- Urban encroachment puts horticulture under spotlight and leads to reverse sensitivity issues.
- Increasing land prices mean it is difficult to be economically sustainable as a grower. This leads to more intensive use of productive soils, putting these under pressure. Growers need to be able to manage soil health through rotation, resting etc. Most growers recognise the importance of maintaining soil health through management practices such as rotation. Ongoing intensive use without good management practice is not sustainable.
- Land within and near the RUB has gone up to an extent that it is not changing hands to growers – will now only be sold for urban development. The price of land means it is not economically viable to buy this land for new horticultural production.
- Growers have shown their ability to adapt. It is possible for growers in Pukekohe hub to go south and stay viable. There are already crops produced in Ohakune, Hawkes Bay etc. that gets processed in the hub. This might be a more viable option than growing in high value land.
- General support for protection of land for rural production but also need to consider flexibility for landowners to use their land. For example, selling land on RUB can provide revenue and enable growers to have a larger productive site elsewhere.
- Many councils dealing with historical fragmentation issues – difficult to reverse this trend.
- Research has found that there is a general trend as sizes get smaller to be less productive.
- LUC vulnerable to development as generally flat.

*Problem statement 2# (refer to **Appendix A** for the draft problem statements)*

- Issue really relates to loss of productivity/versatility of land – multiple factors to consider.
- Not just about regulation/protection – also need to enable production.
- Growers recognise climate change as an issue but will be able to adapt to this.
- Land used for local v export markets have slightly different issues. Only a small amount of land is used for local markets and these areas need to be close to centres/good access/labour markets.

3.2.3 The scope and nature of national direction

- National direction on highly productive soils could:
 - Provide guidance on how to manage linkages/tensions between other national instruments, particularly the NPS-UDC and NPS-FM.
 - Provide common definitions/terminology of versatile/highly productive soils and a consistent understanding of what needs to be protected. This could include clear thresholds for protection.
 - Clear direction to consider food supply for domestic markets, including cross-regional issues. For example, if urban expansion onto productive land occurs in one area, ensuring there is the ability for this to move elsewhere within region and/or adjacent region.
 - Recognise that LUC1-3 are versatile land; a valuable resource that should be protected as a priority for rural production. However, also important to recognise that there is not a shortage of these soils in NZ.

- Ensure that urban development/subdivision of productive soils is carefully planned and managed to address/avoid ad hoc development. This should take into account a range of factors that make land suitable for production in addition to soils, including proximity to markets and labour supply. This would provide greater transparency on how productive soils are considered in land use/planning decisions.
- Provide clear direction that rural production activities should be prioritised in rural protection areas and protected from reverse sensitivity effects.
- Provide clear direction to manage the cumulative effects of fragmentation.
- Provide guidance on how to achieve integrated management of productive soils, including how to manage regional and district issues in a considered and integrated manner.
- Focus on critical areas within New Zealand.
- National direction needs to retain some flexibility for future use and it is important not to lock up LUC1 for protection – if urban expansion onto these soils and it makes sense then should be able to occur. For example, Matamata is surrounded by Class 1 soils and further development of the town is inevitably going to be located these soils. However, there needs to be clear consideration of the importance of these soils before this occurs.

3.2.4 Options to provide national direction and pros/cons

National policy statement	
Pros	Cons
<ul style="list-style-type: none"> - Could provide sufficient direction without being a large/complex document - Provides more flexibility for local solutions - Could provide clear consideration about how to consider productive soils when planning for growth and managing fragmentation - Promote better consideration of inter-regional issues - Consistency for growers operating in multiple districts - Provides direction for council planners - Reduced litigation costs for councils and communities - Could prioritise locations where the provisions apply to problem areas 	<ul style="list-style-type: none"> - Does not achieve the same level of consistency as NES - Risk that that provisions will be too broad and not achieve the objectives - Does not address all eventualities

National environmental standard	
Pros	Cons
<ul style="list-style-type: none"> - Reduced litigation costs for councils and communities - Ensures consistent protection for productive soils 	<ul style="list-style-type: none"> - Too absolute/directive and could lead to perverse outcomes - Would be difficult to get it right across NZ – would take longer to develop - May limit land use flexibility - Does not allow for local considerations - Needs robust evidence base - Quality and scale of information (LUC) does not support NES

Amend existing national direction

- There is also potential to amend existing national direction to recognise the importance of productive soils. For example, NPS-UDC could be amended to state a preference to avoid productive soils but not be an absolute requirement.

Amend the RMA – productive soils as a section 6 matter

- Benefits include elevating soils as a clear matter of national importance, ensuring greater consistency in plan provisions and consent decisions, and supporting other options such as an NPS. Disadvantages include a long lag time, still reliant on plan provisions, not directive enough and opens up Part 2 of the RMA to be and rewritten.

Other options/incentives

- Education/training/guidance for council staff – this would enable planners and councillors to make better, more informed decisions. However, this option has no teeth and is reliant on uptake.
- Rating (targeted) – for example, rates could be wiped after 10 years of continued production. Benefits include incentivising growers to stay on land and continue producing. However, this would not address land supply issues and is a form of subsidy to one primary sector.

3.3 Summary of Christchurch Workshop - 20 September 2018

Council representatives	Industry representatives
<ul style="list-style-type: none"> - Tasman District Council - Environment Canterbury - Environment Southland - Ashburton District Council - Central Otago District Council - Queenstown Lakes District Council - Christchurch City Council* - Otago Regional Council* - Waitaki District Council* - Dunedin City Council* 	<ul style="list-style-type: none"> - Horticulture New Zealand - Jade Garden Produce - Federated Farmers - Fonterra - Dairy New Zealand - Beef and Lamb

*Unable to attend workshop but provided an opportunity to comment on the notes.

3.3.1 Current approaches to protect and manage highly productive soils

- Approach in the region is to focus on soil health and soil erosion rather than protecting high value soils.
- Court decisions in the region have prioritised urban development over the protection of soils, noting that urban development is also a productive use of land. This has influenced the direction of 2nd generation plans.
- Plan has strong policy framework to protect soils, but effectiveness has been somewhat limited as rule framework does not support this direction.
- Plan framework recognises that there are a range of factors that contribute to the productivity of soils/land.
- Plan recognises the economy of the district is based on rural production and provides clear direction to protect it for that purpose (minimum lot sizes, managing reverse sensitivity etc.). There are two rural zones, with one focused on production and the other allowing for rural residential development close to centres.
- Strong protection for rural production is reliant on strong political support which does not always exist.

3.3.2 Current planning issues and problems

- Need better understanding of the problem at the national level – this should include spatial analysis of the pressures and loss of soils across NZ.
- It is not just about soils - there are a range of issues to consider in addition to soil that makes land suitable for production (water, climate, topography). All these factors need to be considered when managing and protecting rural production.
- There is a need to better define what is productive soils/productive land. Productivity comes in many forms across the primary sector and is not limited to horticulture production. There is an assumption that farming is not a good use of productive soils.
- Highly productive soils are naturally attractive areas for development (flat etc.) – loss to urban development likely to continue.
- LUC has limitations as a measure of soil productivity.
- Increasing recognition across primary sectors of the need to manage soil degradation/health through better management practices. This is important for their social licence.
- Dairy farms also facing pressures/reverse sensitivity effects from urban encroachment.
- Urban expansion into rural areas and fragmentation impacts the community, not just the soils.
- There is a need to ensure land use flexibility for farms to develop and diversify – increasing regulation can constrain this.

- Recognition that horticulture has some specific requirements in terms of where it can be located compared to other productive uses (suitability of soils, good access, climate, proximity to markets). Urban expansion into horticultural production areas can compromise the ability of these areas to serve local markets. These areas need to be located close to centres with regular trips to deliver produce.
- Need to maintain the versatility of soils to support production now and into the future – this requires consideration of multiple factors. Protection of soils should not be limited to existing areas in production.
- New planning requirements have limited the ability to move horticultural production/rotate crops. This is based on nitrogen inputs but can be detrimental to soil health.
- Horticultural sector is facing increasing regulation/compliance – limiting the amount of people coming into sector.
- Subdivision is regularly occurring right up to the boundary of productive land with no buffer – this results in reverse sensitivity effects.
- Key issue in region is soil structure/soil loss from intensive land use – need more focus on this in problem statements.
- The ecosystem services that soils provide are undervalued.
- The RMA does not provide adequate direction to protect soils – it just becomes another matter to consider and is generally afforded less priority than urban development. Similarly, protection of soils is just one matter to consider when planning for urban growth but is generally not a determinative one.
- Cumulative loss of soils is a difficult issue to manage within region – often the loss of an area to development not seen as significant in the context of the overall region.
- Difficult to define what is productive land/soils, e.g. land that was not productive has now been converted to viticulture/horticulture and is highly productive.
- Very difficult to stop urban development when there is pressure for growth – the highest value use generally wins where there is conflict.
- There is a need to think of productive lands at a broader scale – systems thinking is currently lacking and economic decisions do not look to the long term.

*Problem statement 1#: (refer to **Appendix A** for the draft problem statements)*

- Protection of productive capacity - need to protect the ability to produce.
- Need to define the primary sector that we are concerned about – just plants or also animal produce.
- Its about versality – soils could be used for many things – need to protect that versality.
- Recognition that horticultural sector has some unique constraints.
- Its about considering the local, national and international food system – export about economics not food supply overseas. Some reference to domestic market is important.

Problem statement 2#

- Land fragmentation – size gets skewed towards small end then economic unit is compromised.
- Productivity relies on land at various sizes.
- Need to add in ‘soil loss’ – caused by erosion.
- When subdivided to small lots – price goes up and very difficult for turn it back to productive purposes. However, recognition that horticulture can be profitable with smaller lot sizes.
- Climate change – has influence on land, soil moisture etc.
- Degradation – reference to agriculture too limited and should be broader – ‘land use intensification’.
- Māori land has issues associated with land fragmentation, smaller units etc.

Problem statement 4#

- Regulatory approaches need to consider intergenerational equity – how to address the rights of future generations to use land – need precautionary approach.
- Statement is written as solution rather than a problem statement.

- Need to think about timeframe for different land uses.
- This is about versatility – retaining for future land uses.
- There is likely to be some move towards greenhouses. However, most affordable way to grow vegetables is in soil – greenhouses will impact on affordability.

Problem statement 5#

- Problem is that there is lack of evidence on different planning approaches.
- Need evidence base for solution.

Problem statement 6#

- LUC has limitations – coarse, dated, limited.
- Most councils have some more detailed mapping but this is inconsistent.
- Some soils can grow year round, others better but limited to summer - the definition of productive soils should take this into account.

3.3.3 The scope and nature of national direction

- Need to carefully define the problem before designing the solution. It is important to firstly define what needs protection and why before any progress towards a solution can be made. There is also a need to recognise that these issues manifest quite differently across New Zealand and national direction should only apply where the issues are relevant or acute.
- Any national direction needs to be fair and flexible. It needs to ensure there is an even playing field across primary sectors – it should not favour horticulture production at the expense of other primary sectors.
- There is a need to confirm scope – soils v productive land, highly productive v versatile, production for animal/plant production or just plant production. Question whether the focus should be on protection of highly productive soils for horticultural sector or protection of land with significant primary productive capacity which extends to other sectors. Scope of national direction should be broader than protecting soils – it should also protect the of quality and quantity of soils, the ability to produce now and in the future, soil health and the ability to provide ecosystem services.
- National direction can help to elevate productive soils as a matter to consider under the RMA when planning for urban growth – making it more than another matter to consider. This would ensure that rural production is given the same weight as urban development rather than being a secondary/lower order consideration.
- National direction could help ensure productive soils are better considered as part of long-term land use planning – promoting a more strategic and considered approach to rural land use planning. National direction could also provide direction on how to manage reverse sensitivity effects, address fragmentation and recognise that soils are a non-renewable resource.
- National direction needs to consider the interaction with other national instruments and existing regulation – these need to be aligned. In particular any national direction needs to be aligned with NPS-UDC and NPS-FM.
- National direction could build knowledge of how to improve soil health, reduce soil loss and promote good management practices. It could also address regulatory barriers to good management practices, enabling rotation of crops etc.
- National direction needs to ensure there is the opportunity for diversification and not lock land into one type of use. A key objective should be retaining the productive capacity of land for future use/future generations.
- Potential for national direction to be customised in terms of how it applies depending on the nature of the issues within the region (e.g. like NPS-UDC). The required level of response should be targeted to the issues/pressure at that location.

3.3.4 Options to provide national direction and pros/cons

National policy statement	
Pros	Cons
<ul style="list-style-type: none"> - Reinforce the need to plan for soils and protect food hubs for growing - Could operate similar to NPS-UDC with targeted requirements applying to regions with greater issues/pressures - Ensure urban planning better considers soils and rural production - Could protect soils from uses that remove productive capacity - Could promote consistent terminology and methodologies - Greater national consistency while allowing some flexibility for local issues/values 	<ul style="list-style-type: none"> - Requires comprehensive evaluation of evidence base and an understanding of the full range of issues/values - Creates resourcing pressure for councils - Can create tensions/conflicts for councils - Hierarchy may be tested through Environment Court

National environmental standard	
Pros	Cons
<ul style="list-style-type: none"> - Helps develop framework for productive values 	<ul style="list-style-type: none"> - Too 'one size fits all' - Inflexible and prescriptive

Amend existing national direction

- Existing national instruments such as NPS-UDC could cross reference NPS on Highly Productive Soils to ensure alignment.

Status quo

- Benefits include the status quo works well for some districts/regions and there are existing plan provisions relating to fragmentation (but less so versatility). Disadvantages include not being future focused and the wider food system continues to be poorly considered in planning decisions.

Amend the RMA – productive soils as a section 6 or 7 matter

- Would elevate consideration of soils but is a highly uncertain option to pursue.

Other options/incentives

- National planning standards or regulations made under section 360(1)(i) of the RMA are potential options to consider.
- Guidance – benefits are that it can enhance/influence practice and provide information/support to growers to improve practice. Disadvantages include not being legally enforceable, may not led to any behaviour change and relies on uptake.
- Better information to base land use decisions upon – such as a national soils map, improved data on soils.

APPENDIX A: DRAFT PROBLEM STATEMENTS INCLUDED IN BACKGROUND MATERIAL

The draft problem statements below were included in the background material circulated to workshop participants on 17 September 2018.

Draft Problem Statements

1. The development and use of New Zealand's highly productive soils contribute significantly to the local and national economy. Food supply for domestic markets, and the ability to service export demand will be impacted if the ability to effectively utilise New Zealand's highly productive soil resource is further lost or compromised.
2. The effective and efficient use of highly productive soils is at risk from:
 - Physical loss of the soil resource, typically to urban expansion and growth;
 - The fragmentation of soils to smaller lot sizes, for example through lifestyle blocks, that impact on the ability to retain viable productive units;
 - Encroachment of sensitive land uses into agricultural and horticultural areas, resulting in reverse sensitivity effects and a loss of buffers between incompatible activities; and
 - Physical and biological degradation of the soil resource from agriculture intensification, reduction in vegetation cover and accentuated by climate change and weather events.
3. Horticultural activity is likely to be more heavily impacted by urban expansion than other productive land uses as it tends to utilise the highest quality soils, is typically located close to city fringes, and reliant on processing facilities being close to pockets of highly productive soils to be cost-effective.
4. The protection and management of highly productive soils through regulatory approaches needs to recognise and provide for the rights of land owners to utilise, develop and sell their land.
5. There are a variety of planning approaches adopted across New Zealand to protect and manage highly productive soils, with mixed results. To some extent this reflects regional variation in the extent of highly productive soils, supporting water and climatic conditions, growth pressures and land use change. However, a more considered and proactive approach may be needed to better manage the pressures on New Zealand's highly productive soil resource.
6. The classification of highly productive soils using the LUC system may not be appropriate in all circumstances and there needs to be greater consistency the definition and identification of highly productive soils.

