# Council Briefing

**Date:** **Thursday 5 September 2019**

**Time:** **At the completion of the Council workshop**

**Venue:** **Northern Wairoa War Memorial Hall – 37 Hokianga Road, Dargaville**


| | Briefing Report | Page |
|---|---|---|
| **1** | Annual Report 2019/2020 | 3 |
| **2** | Proposed National Policy Statement for Highly Productive Land | 5 |
| **3** | Spatial Planning for Kaipara District | 83 |
| **4** | Speed Limit Reviews | 85 |
| **5** | Key issues in infrastructure strategy | 107 |
| **6** | Northland Water Storage | 132 |

# Annual Report 2019

**Meeting:** **Kaipara District Council**
**Date of meeting:** **5 September 2019**
**Reporting officer:** **Sue Davidson, GM Risk, IT and Finance**

## Purpose/Ngā whāinga

The Annual Report is adopted by Council in September each year. This briefing will highlight the financials for the year ended 30 June 2019. The financials are currently under review with Auditors and will not be available until Thursday 5th September so will be tabled on the day.

## Context/Horopaki

This Annual Report is an outline of the Council's performance and is compared to what Council told the community it planned in the first year of the Long Term Plan.

## Discussion/Ngā kōrerorero

Highlights this year are:

- Debt has continued to be managed. In 2013/2014 the level of debt was $76 million. It is now $45 million
- Council has kept within the required treasury ratios
- The largest capital project completed was the Quail Way stormwater programme which was completed within budget.

Council has consistently been told that the expected surplus for the revenues and expenses statement would be just above that budgeted. A last minute adjustment for the market valuation of the swaps we hold as at the 30 June 2019 has meant the overall surplus has reduced by $1.5 million. Interest hedging (swaps) is utilised to reduce risks and fix interest rates. This change is a non-cash adjustment until the swaps are realised. Last year there was minimal movement in interest rates and therefore swap movements but in 2017/2018 there was a $2.2 million benefit in the valuation at that time.

Other movements are:

- Building and resource consent income has increased due to demand
- Financial and development contributions have increased exponentially. The additional financial contributions will allow further improvements and additions to reserves in future
- Additional grants – ex TIF and Provincial Growth Fund were negotiated and confirmed
- Other Income has increased because of additional roads and reserves vested in Council
- Additional staff and consultants were needed for the additional work relating to both building and resource consents and also for work related to the Provincial Growth Fund
- Finance costs were lower as capital projects were not able to be completed as planned.

Key changes in the Statement of Financial Position (Balance Sheet) are:

- Trade and other receivables include $1.5 million subsidy from NZTA which was unpaid at balance date
- Employee entitlements include a full fortnight's salary in this year's figures
- The liability for Interest liability has increased due to the revaluation of swaps we hold at balance date.

The purpose of swaps is to minimise risk. The swap liability has increased to $5.9 million. This means over the life of the debt we have accrued increased interest on our debt as interest rates have fallen. At the current time going forward we maintain compliance with the Policy, although in the current market environment, PWC (our advisers) are advocating for minimums of Policy limits to allow increased participation in falling interest rates.

## Next steps/E whaiake nei

Please note that this report is a draft only. Completion of graphics and wording as well as final audit approval will be done before the Council Meeting.

The Annual Report will be adopted at the September 2019 Council meeting.

## Attachments/Ngā tapiritanga

| | Title |
|---|---|
| A | Annual Report in Brief – will be distributed at the meeting |

Sue Davidson, 28 August 2019

KAIPARA DISTRICT
Kaipara te Oranganui • Two Oceans Two Harbours

# Proposed National Policy Statement for Highly Productive Land

**Meeting:** Kaipara District Council Briefing
**Date of meeting:** 05 September 2019
**Reporting officer:** Kathie Fletcher, Policy Manager

## Purpose/Ngā whāinga

To provide elected members an overview of the Proposed National Policy Statement for Highly Productive Land (NPS-HPL).

To seek direction on whether a submission should be drafted and submitted by the Chief Executive (CE) to the Ministry for Primary Industries on the proposed policy statement.

## Context/Horopaki

"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."[1]

In April 2018, the Minister for the Environment instructed officials to develop a National Policy Statement for Versatile Land and High-Class Soils.[2.] This work is being led by Ministry for Primary Industries with support from the Ministry for the Environment. The Government is currently proposing an NPS-HPL to improve the way highly productive land is managed under the Resource Management Act 1991. Public consultation on the NPS-HPL closes 10 October 2019.

The proposed objectives of the NPS-HPL are:

- Objective 1: Recognising the benefits of highly productive land;
- Objective 2: Maintaining the availability of highly productive land; and
- Objective 3: Protection from inappropriate subdivision, use and development[3].

Initial workshops with representative stakeholders were held to discuss 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. Kaipara District Council did not attend. 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.

[1] https://www.mpi.govt.nz/dmsdocument/36615-stakeholder-workshops-on-potential-national-policy-statement-for-highly-productive-soils-summary-of-key-themes-technical-paper
[2] https://www.beehive.govt.nz/release/environment-report-highlights-serious-land-issues
[3] See p. 36 https://www.mpi.govt.nz/dmsdocument/36624-discussion-document-on-a-proposed-national-policy-statement-for-highly-productive-land

KAIPARA DISTRICT

## Discussion/Ngā kōrerorero

### 1.0 What are the issues?

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.

Throughout Aotearoa, councils' planning mechanisms are inconsistent and are not effectively providing for future food security by responsibly managing highly productive lands.

### 2.0 What does the NPS-HPL propose?

The NPS-HPL proposes that councils be required to ensure there is enough highly productive land available for primary production now and in the future, and protect it from inappropriate subdivision, use and development. The objective is not to provide absolute protection.

Councils would need to do a full analysis of alternatives, benefits and costs when considering whether urban expansion should be located on highly productive land used for growing food and vegetables and for other primary production.

Councils would need to identify highly productive land based on a set of defined criteria (soil capability, climate, water availability, size etcetera) with LUC Classes 1-3 being the default criteria to determine highly productive land until this process has been undertaken.

The NPS-HPL includes a definition for "sensitive activities" based on existing practice. The expectation is that District Plans will use this definition as part of a rule framework to manage certain sensitive or incompatible activities (e.g. schools) on or adjacent to highly productive land used for primary production. The intent is to encourage setbacks and buffers between area of highly productive land and adjacent residential and rural residential areas.

Recognising that identifying highly productive land will take substantial effort from local authorities, it is proposed that the Government provides guidance and technical assistance, focusing on those regions with the greatest pressures on their highly productive land.

Three options were considered, a new National Policy Statement, National Environment Standards and amendments to the National Policy Statement-Urban Capacity. The preferred option is the establishment of the NPS-HPL.

### 3.0 Pros and cons for a national policy statement

At the workshops with representative stakeholders in 2018 the following pros and cons were identified[4]

| Pros | Cons |
|---|---|
| Would elevate productive soils/food supply as an issue to consider when planning under the RMA<br>Could provide direction to protect productive soils/food hubs while allowing some flexibility<br>Provides more flexibility for local pressures and solutions than other national instruments | Requires good evidence base<br>Does not achieve same level of consistency as NES<br>Risk that it does not achieve desired results if the provisions are not directive enough |

[4] https://www.mpi.govt.nz/dmsdocument/36615-stakeholder-workshops-on-potential-national-policy-statement-for-highly-productive-soils-summary-of-key-themes-technical-paper

KAIPARA DISTRICT

| Pros | Cons |
|---|---|
| Could ensure there are better regional assessments of productive soils and greater transparency in how these are protected/managed under the RMA<br>Promote better consideration of inter-regional and district/regional issues<br>Promote better consistency in terminology and methodologies<br>Consistency for growers operating in multiple regions<br>Reduced litigation for councils and communities<br>Could prioritise locations where provisions apply to focus on where the biggest issues are (similar to NPS-UDC) | May have limited impact where competing priorities take precedence<br>Creates resourcing pressures for councils<br>May conflict with other national direction and cause tensions for councils<br>It could take a number of years to influence resource consent decisions if councils needed to amend their policy statements and plans first |

## 4.0 Proposed policies

- *Proposed Policy 1– Identification of highly productive land.* This would require regional councils to define the spatial extent of highly productive land in their region. This will inform the application of policies that relate to its management. Identifying highly productive land at the regional level through the regional policy statement (RPS) will allow wider consideration of highly productive land along with the urban expansion pressures and cross-boundary issues between districts in the region. It will also require territorial authorities to amend their district plans to identify highly productive land. A set criteria will be used to assess and identify the areas. A default definition of highly productive land based on LUC Classes 1 to 3 would apply in the interim period until councils have identified highly productive land.
- *Policy 2 – Maintaining highly productive land for primary production*. Once highly productive land has been identified, councils would be required to maintain that land for primary production in accordance with the policies in the NPS. This would include an overarching policy (proposed Policy 2) that provides clear direction on how land identified as highly productive is managed and protected to remain productive and available for primary production. This would be supported by more specific policies targeted at urban expansion, fragmentation and reverse sensitivity. Policy 2 is intended to implement Objectives 2 and 3 by requiring councils to specify what is “inappropriate subdivision, use, and development on highly productive land” in the context of their region or district and set out methods to protect highly productive land from such subdivision, use and development. It also allows councils to consider the current and future contribution of a wider area of highly productive land to the economy and community (e.g. existing horticulture food hubs) and give greater protection to those areas. The intent is for regional councils (through their RPS) to set the broad framework to manage highly productive land (once this has been identified) and territorial authorities would implement.
- *Policy 3 – New urban development on highly productive land*. The policy intent of Policy 3 is to provide clear direction that new urban development should generally avoid highly productive land when other feasible options exist. It will require transparent planning and decision-making based on a clear assessment of costs, benefits and trade-offs. Councils will be required to demonstrate they have thoroughly considered alternative locations and options (i.e. intensification). They will also need to have considered the full range of benefits and costs (social, economic, environmental and cultural) arising from urban development on highly productive land compared to the long term, intergenerational benefits that would occur from the continued use of that land for primary production.

KAIPARA DISTRICT

- *Policy 4 – Rural subdivision and fragmentation.* The intent of proposed Policy 4 is to build on current best practice in managing the rural land resource. Many district plans include provisions to manage fragmentation of rural land and highly productive land. This includes distinct rural zones to consolidate rural lifestyle development in specific areas, often closer to urban areas. The proposed policy is intended to ensure councils take a proactive approach to managing fragmentation of highly productive land in rural areas, including through the use of minimum lot size standards for subdivisions that retain the productive capacity of highly productive land. Guidance on appropriate minimum lot size standards for subdivision on highly productive land will be developed to support the implementation of Policy 4, recognising that some flexibility is needed to determine this at the local level as some forms of primary production can be highly productive on small lots.
- *Policy 5 – Reverse sensitivity.* Policy 5 is intended to build on current best practice and ensure district plans include provisions to manage reverse sensitivity effects that can constrain and conflict with primary production activities using highly productive land. This is to be achieved by setting out the typical activities and effects that should be tolerated within rural productive areas, restricting new sensitive and potentially 'incompatible activities' on highly productive land, and through setbacks and buffers between highly productive land and adjacent residential and rural lifestyle zones.
- *Policies 6 and 7 – Consideration of private plan changes and resource consent applications on highly productive land.* These policies would give greater specificity to the decision-making frameworks in the RMA for private plan changes (Clause 25, Part 2, Schedule 1) and resource consent applications (sections 104-104D).

## 5.0 Matters to consider for the Kaipara District

- Resource to be protected equates to 33,232 ha, 11% of the district is highly productive soil, although deemed small local cover, it is 0.9% of national high class soil area, which is deemed moderate national coverage.[5]
- Current planning practices are not effectively protecting these soils. One issue is that developers are successfully arguing that subdivisions and new housing exceeds the net benefit of primary production. However, the benefit at a local level is not measured against regional and national food security benefits. Nor is a timeframe over which that benefit is measured specified, except that the net public benefit should be longer than the developer's short term benefit.
- Northland's RPS clearly supports the NPS-HPL by using the Land Use Capability Index 1, 2 and 3. See the following RPS extract:

  *5.1.1 (f) Ensures that plan changes and subdivision to / in a primary production zone, do not materially reduce the potential for soil-based primary production on land with highly versatile soils[10], or if they do, the net public benefit exceeds the reduced potential for soil-based primary production activities;*

  *10 Highly versatile soils are Land Use Capability Classes 1c1, 2e1, 2w1, 2w2, 2s1, 3e1, 3e5, 3s1,3s2, 3s4 - as mapped in the New Zealand Land Resource Inventory.*

  *5.1.1(f) Applies to subdivision and plan changes on land with highly versatile soils in primary production zones. Proponents should clearly demonstrate that the benefits to the public (social, economic, environmental and cultural) arising from subdivision or a plan change and subsequent development are greater than the benefits that would have occurred from productive use of the land. If the public benefits of retaining land with highly versatile soil for primary production activities is equal to or greater than the public benefits that would be gained from a proposed development it is expected that the land in question will remain available for primary production.*
- The District Plan review provides an opportunity to proactively plan for the protection of highly productive land and subsequently implement the NPS-HPL. The future protection of productive land has been at the forefront of the Policy team's' thinking as part of our internal

[5] https://www.mpi.govt.nz/dmsdocument/36618-proposed-national-policy-statement-highly-productive-land-indicative-cost-benefit-analysis-technical-paper

assessment of the current rural zoning. The district is facing major climate change challenges and the loss of productive lands, as well as ongoing pressures from fragmentation caused by subdivision developments.

- The NPS-HPL supports the aspirations of the Kaipara Kickstart project.
- Capacity to make a submission. Owing to the elections, the CE will require delegation to approve a submission. Policy will be able to draft a response as BAU, albeit availability of time is stretched with current workloads.

### 6.0 Directions sought

1 Should a submission be provided to MPI?
2 Do elected members support the proposed objectives?
3 Do elected members support that the identified issues and risks are the most important matters to be addressed?
4 Are there other issues or risks that should be addressed?
5 Do elected members support the proposed policies of the NPS-HPL?
6 What are the key messages elected members wish to convey in a submission?

## Next steps/E whaiake nei

Should the elected members wish KDC to provided comments on the NPS-HPL, staff could draft a submission based on feedback at the briefing.

Given that submissions are due by 10 October, timing is difficult. The final council meeting in September will assess a report to delegate decision-making to the Chief Executive over the election period, which is normal Local Government practise. Assuming direction for a submission at this briefing, staff could complete an analysis of the NPS-HPL discussion paper in collaboration with the Kaipara Kickstart team then draft the submission and present it by 10 October with the Chief Executive exercising the approval delegation. Please note that all instances where this delegation is used will be reported to the in-coming.

Should elected members wish to make their own submission, the following information will guide you:

- An online submission tool is available.
- Submissions can also be emailed to soils@mpi.govt.nz
- Submissions can be posted to: Ministry for Primary Industries PO Box 2526 Wellington 6140 New Zealand.
- You can also share your views and have questions answered at workshops being held around the country. Please check the MPI website for details.

Consultation documents and submission information found here:

https://www.mpi.govt.nz/news-and-resources/consultations/proposed-national-policy-statement-for-highly-productive-land/

Submission form found here:

https://submissions.mfe.govt.nz/consultations/national-policy-statement-for-highly-productive-land/make-a-submission

## Attachments/Ngā tapiritanga

| | |
|---|---|
| A | Valuing highly productive land discussion paper |
| B | Map of Kaipara districts High productive soils |

Kathie Fletcher, 22 August 2019

# Valuing highly productive land

A discussion document on a proposed national policy statement for highly productive land

Ministry for Primary Industries
Manatū Ahu Matua

Ministry for the Environment
Manatū Mō Te Taiao

## Disclaimer

The information in this publication is for consultation only; it is not Government policy. While every effort has been made to ensure the information in this publication is accurate, the Ministry for Primary Industries and the Ministry for the Environment do not accept any responsibility or liability for error of fact, omission, interpretation or opinion that may be present, nor for the consequences of any decisions based on this information. Any view or opinion expressed does not necessarily represent the view of the Ministry for Primary Industries or the Ministry for the Environment.

## Publisher

Ministry for Primary Industries
Charles Fergusson Tower
PO Box 2526, Wellington 6011

www.mpi.govt.nz
0800 00 83 33
soils@mpi.govt.nz

**MPI Discussion Paper 2019/05**
ISBN: 978-1-98-859431-6 (print)
ISBN: 978-1-98-859432-3 (online)

ISSN: 2253-3893 (print)
ISSN: 2253-3907 (online)

Crown copyright – August 2019

# Contents


**Foreword** 5

**Executive summary** 6

**1 Introduction** 8

1.1 About highly productive land for primary production 8
1.2 Overview of issues facing highly productive land 9
1.3 Purpose of this document 10
1.4 Feedback sought 10
1.5 Wider national direction 10

**2 Context** 13

2.1 Why land matters 13
2.2 Highly productive land is a valuable and limited resource 13
2.3 Defining highly productive land 15
2.4 Climate change and technology could change what we consider to be highly productive land 19

**3 The problem we want to solve** 21

3.1 Problem statement 21
3.2 Urban expansion on to highly productive land 23
3.3 Fragmentation of highly productive land 24
3.4 Reverse sensitivity 26
3.5 These issues are being seen throughout New Zealand 26
3.6 National direction would help councils consider highly productive land alongside their other priorities 26

**4 Options for solving the problem** 28

4.1 Option one: National Policy Statement 28
4.2 Option two: National Environmental Standards 28
4.3 Option three: Amendments to the National Policy Statement on Urban Development Capacity 29
4.4 Criteria for assessing the options 30
4.5 Preferred option – a National Policy Statement 30

**5 How a National Policy Statement would work** 33

5.1 Overview of the proposal 33
5.2 Purpose of proposed National Policy Statement 33
5.3 The scope of the proposal 34
5.4 The proposed National Policy Statement 36
5.5 Interpretation 50
5.7 Timeframes 52
5.8 Expected costs and benefits from the proposed National Policy Statement 53

## 6 Next steps – have your say 56

6.1 Get involved – making a submission 56
6.2 What happens to submissions? 56
6.3 For more information 57
6.4 Your feedback: discussion questions 57

## 7 References 61

Case law 61

## 8 Appendices 62

8.1 Appendix A 62
8.2 Appendix B: Cost benefit assessment of six councils 64


## Tables


1: High-level assessment of the different options for national direction 31

2: Proposed wording for NPS 36

3: Indicative CBA ($ million) 54

4: Assesssment of options 62

5: Key findings from the indicative cost-benefit assessment of six councils 66


## Figures


1: Comparisons of New Zealand's key exports and imports of fruit and vegetable products in 2017 ($ million) 13

2: Increasing limitations to use and decreasing versatility of use from LUC Class 1 to 8 15

3: Distribution of New Zealand's Land Use Capability Classes (A) 1 and 2 and (B) 1, 2 and 3 16


## Acronyms used

| | |
|---|---|
| LUC | Land Use Capability |
| NES | National Environmental Standards |
| NPS | National Policy Statement |
| NPSFM | National Policy Statement for Freshwater Management 2014 |
| NPS-UD | Proposed National Policy Statement on Urban Development |
| NPS-UDC | National Policy Statement on Urban Development Capacity 2016 |
| RMA | Resource Management Act 1991 |
| RPS | Regional Policy Statement |

# Foreword

**Our land is a precious taonga – an irreplaceable treasure and a source of life and wellness for our country. Our economy depends on our land, and our history and culture are tied to it.**

New Zealand's productive land is under threat and we have a duty to cherish and protect it for future generations. We have already lost a lot of this precious resource. What we give up today is lost forever. If healthy soil resources are lost, they are not renewable in a human lifetime, which is why we need to act with urgency.

This discussion document proposes a National Policy Statement as the most effective way to avert the loss of more of our productive land and promote its sustainable management. It proposes that councils will be required to consider the availability of highly productive land within their region or district for primary production now and for future generations.

The National Policy Statement also supports other important initiatives the Government is progressing, including in the areas of urban development and freshwater management.

Growing food in the volumes and quality we have come to expect depends both upon the availability of land and the quality of the soil. Highly productive soils bring significant economic benefits including employment for the communities that surround them, and collectively add significant value to New Zealand's primary sector.

Much consultation and consideration has gone into this discussion document. It builds on the *Our land 2018* report from the Ministry for the Environment and Statistics New Zealand. This report provided a comprehensive assessment of the impact human activity is having on our land.

*Our land 2018* confirmed that many highly productive land areas have already been lost. The report highlighted two key pressures facing highly productive land on the edge of towns and cities:

- Expansion of our cities and towns with houses and urban infrastructure to accommodate our growing population, and the accompanying loss of New Zealand's most versatile and productive land.
- Change of land-use on the fringes of urban areas, in particular the increase in lifestyle developments.

The recently released *Environment Aotearoa 2019* synthesis report supports this assessment.

We appreciate the input and expertise many organisations and individuals have already contributed to the development of this discussion document and proposed National Policy Statement. Now we encourage you to share your views. Continuing this inclusive approach will help us create effective, enduring solutions. All New Zealanders have a stake in the protection of our land and we want to hear from you.

**Hon David Parker**
Minister for the Environment

**Hon Damien O'Connor**
Minister of Agriculture

# Executive summary

**We are seeking feedback from interested organisations and individuals on the proposed National Policy Statement for Highly Productive Land, set out in this discussion document.**

The *Our land 2018*[1] and *Environment Aotearoa 2019*[2] reports, published by the Ministry for the Environment and Stats NZ, highlighted a number of issues facing our land and soils. This proposal addresses the urban expansion and fragmentation issues these reports found to be facing our most productive land. The *Our land 2018* and *Environment Aotearoa 2019* reports also highlighted a number of issues facing soil quality, which will be considered in 2020 as Phase 2 of this work programme.

## About highly productive land

This proposal focuses on land that is highly productive for primary production, which can be identified using the Land Use Capability (LUC) classification system and considering a number of other factors. The LUC system classifies land into eight classes. Land that has a Class 1 rating under the LUC system is the most versatile and has the fewest limitations for its use, while Class 8 is the least versatile with the highest number of limitations on its use.

There are other factors that can make land more or less productive that are not recognised under the LUC system, such as: the size of the property; water availability; and access to transport routes and appropriate labour markets.

Under this proposal, councils will need to identify highly productive land as land that is classified as Class 1, 2 or 3 under the LUC system by default, until they are able to complete their own regional or district assessment. When undertaking the assessment of highly productive land councils will be able to consider a number of other factors to exclude some of this land, or to identify additional highly productive land that is not recognised under the LUC system.

Further information about highly productive land is available under section 2.3. The policy definition of highly productive land is included under section 5.4.

## The problem we want to solve

The Resource Management Act 1991 (RMA) provides the regulatory framework to manage the use of land, soil, fresh water and the coastal marine area. The RMA's purpose is the sustainable management of natural and physical resources.

There is a lack of clarity on how highly productive land should be managed under the RMA. The value of this land for primary production is often given inadequate consideration, with more weight generally given to other matters and priorities. This absence of considered decision-making is resulting in uncoordinated urban expansion over, and fragmentation of, highly productive land when less productive land may be available and better suited for urban use. This is preventing the use of this finite resource by future generations.

A variety of approaches have been adopted by councils to protect and manage highly productive land, with mixed results. There is evidence of good practice in some areas, but also evidence of incremental, cumulative loss of highly productive land in others. One of the key outcomes the Government seeks from this consultation is to gather more evidence of the scale and impact of this problem.

## Options that have been considered

The RMA provides tools that can be used to set national direction for a particular problem. National direction on highly productive land could provide councils with a clearer framework for managing this resource and assessing trade-offs between competing land uses – in particular urban expansion and rural lifestyle development. This would also respond to concerns raised by some councils that it is difficult to give sufficient weight to highly productive land when making planning decisions.

1 Ministry for the Environment and Statistics New Zealand (2018). *New Zealand's Environmental Reporting Series: Our land 2018*. Retrieved from **www.mfe.govt.nz** and **www.stats.govt.nz**

2 Ministry for the Environment and Statistics New Zealand (2019). *New Zealand's Environmental Reporting Series: Environment Aotearoa 2019*. Retrieved from **www.mfe.govt.nz** and **www.stats.govt.nz**

Three key options were considered in developing the proposal:

- A national policy statement (NPS);
- National environmental standards; and
- Amendments to the National Policy Statement on Urban Development Capacity 2016.

The analysis set out in this paper concluded that a stand-alone NPS is likely to be the most effective of the three options. This is because an NPS has the potential to provide considerable improvements to how highly productive land is protected and managed by councils, and provide flexibility for councils to consider and respond to local circumstances. It will enable councils to more effectively assess trade-offs when protecting highly productive land and also provide for urban development and other nationally important issues.

An NPS would elevate the importance of highly productive land in the RMA planning and help ensure the benefits and value of highly productive land are given more weight in land-use planning and decision-making.

## The preferred option – a national policy statement

The purpose of the proposed NPS is to improve the way highly productive land is managed under the RMA. It does not provide absolute protection of highly productive land, but rather it requires local authorities to proactively consider the resource in their region or district to ensure it is available for present and future primary production.

A focus of the NPS is to protect highly productive land from "inappropriate subdivision, use and development". Councils would have some flexibility in how they apply this through regional policy statements and district plans. The proposal does not impact on existing urban areas and land that councils have identified as future urban zones in district plans.

### Acknowledgement

The Ministry for Primary Industries and the Ministry for the Environment would like to acknowledge the stakeholder input that has informed this proposal. This includes input from a number of councils, as well as organisations representing primary industries, property developers and tangata whenua.

# 1 Introduction

## 1.1 About highly productive land for primary production

The focus of the proposal outlined in this document is on maintaining the availability of highly productive land for future primary production. The proposed policy places emphasis on "land" (rather than "soil") given its focus is on the capability of "land" for a certain use.

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. These include factors like climatic conditions and water availability, as well as proximity to transport infrastructure and labour. While most councils typically consider highly productive land as Class 1–3 under the Land Use Capability (LUC) classification system (discussed under section 2.3), there are other land types that can be highly productive. For instance, land in Central Otago with characteristics ideally suited to stone fruit production, or Gimblett Gravels in the Hawke's Bay that are highly sought after for wine production.

This proposal would require councils to identify highly productive land in regional policy statements and district plans using the LUC classification system, and consider a number of other factors including climate, water, transport and labour. The full list of criteria is set out in Chapter 5 which outlines the proposal for national direction on highly productive land. Highly productive land provides significant economic and employment benefits to the communities that surround them, and collectively underpins the value of New Zealand's primary sector. Half of our export earnings come from land-based primary production[3]; therefore the productivity of our land ensures New Zealand's position as a major food exporter.

3 Ministry for the Environment and Stats NZ (2018). *New Zealand's Environmental Reporting Series: Our land 2018*. Retrieved from **www.mfe.govt.nz** and **www.stats.govt.nz**

Soil is a key component in determining whether land is highly productive. Soil is formed through a complex interaction of factors like climate, underlying geological material, vegetation, animal grazing, management, microorganisms, topography and time. Soils with an ideal mix of these characteristics are highly productive for a range of primary industries, while being resilient to many of the issues caused by frequent cultivation and intensification. Soils can take thousands of years to form – meaning soil resources are largely non-renewable in a human lifetime. The definition of highly productive land for this proposed policy, and how it references the quality of the soil resource, is set out under section 2.3.

## 1.2 Overview of issues facing highly productive land

In April 2018, the Ministry for the Environment and Stats NZ published the *Our land 2018* report, which is a comprehensive assessment of how human activity is affecting the state of New Zealand's land. This assessment was also reported in *Environment Aotearoa 2019*[4], using the same data and information as the *Our land 2018* report.

These reports identified two key pressures facing highly productive land on the edge of towns and cities:

- Urban expansion, and the accompanying loss of New Zealand's most versatile and productive land; and
- Change of land-use on the fringes of urban areas, in particular the increase in rural lifestyle developments.

*Our land 2018* also highlighted the impact agricultural activities are having on the quality of our soils. The proposed policy outlined in this document does not address these soil quality issues. The Government will consider options to improve soil quality from 2020. Further public consultation will be an important part of that process.

The paragraphs below provide a summary of the key issues impacting on the availability of highly productive land for primary production. See Chapter 3 for more detail.

### Urban land expanding on to New Zealand's most productive land

Some of our most productive land is situated around our towns and cities. The usefulness of this land for intensive primary production may have been a significant factor in why these areas were originally settled.

*Our land 2018* confirmed that many highly productive land areas are being covered in houses, urban infrastructure and rural lifestyle properties as our cities and towns expand.

### The creation of rural lifestyle properties is reducing the availability of highly productive land

*Our land 2018* highlighted the fragmentation of land into rural lifestyle properties as a key issue facing highly productive land.

Economies of scale mean fragmenting land into smaller parcels reduces the productivity of the overall rural area. In addition, the creation of rural lifestyle properties typically involves the construction of driveways, dwellings, garages or utility buildings that further reduce the amount of land available for production.

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

Reverse sensitivity refers to the vulnerability of an existing activity to complaints from newly located activities in close proximity that are sensitive or incompatible with that existing activity (e.g. new residential dwellings next to a rural production activity). Reverse sensitivity effects are not unique to highly productive land or primary production, but they can be a particular issue for certain primary production operations (e.g. spraying, operation of noisy machinery, etc.). This can lead to complaints and subsequent constraints on these established operations.

The primary sector and councils have raised concerns about reverse sensitivity effects restricting how they can operate, as this compromises the productivity of the land. Urban expansion around horticultural food hubs in particular, can create tension between newly arrived groups and established producing communities.

4 Ministry for the Environment and Stats NZ (2019). *New Zealand's Environmental Reporting Series: Environment Aotearoa 2019*. Retrieved from **www.mfe.govt.nz** and **www.stats.govt.nz**

## 1.3 Purpose of this document

This discussion document has been prepared to:

- help you understand why a national direction tool is being considered for highly productive land, and the options that were considered as part of the development of this proposal;
- outline the proposal, and its potential costs and benefits;
- help you prepare questions and feedback; and
- guide you in making a submission through the public consultation process.

## 1.4 Feedback sought

We welcome your views on the proposal.

We are seeking the views of, and information from: Māori; iwi authorities; Māori entities; councils; the agricultural community (farmers, growers, industry, businesses, consumers); land developers and land owners; the resource management planning community; and the public, to better understand the costs and benefits of the proposal. Discussion questions are included throughout the document, including specific questions about the proposed policy in Chapter 5.

This public consultation process aims to:

- understand the views on introducing a national direction tool (i.e. a national policy statement) for highly productive land;
- test the scope and nature of a national direction tool (i.e. a national policy statement) for highly productive land, including the problems it seeks to address, and obtain feedback on the definition of "highly productive land"; and
- understand your comments and views on the questions posed throughout this document and repeated under section 6.4.

Information on how to make a submission, including questions to guide your feedback, is set out in Chapter 6.

## 1.5 Wider national direction

The proposal (as outlined in this discussion document) for a national direction tool for highly productive land has been developed alongside several other government resource management priorities, including the proposed National Policy Statement[5] for Urban Development and the amendments to the National Policy Statement for Freshwater Management 2014 (NPSFM).

These are also strategic priorities for the Government that may have implications on the implementation of the proposal outlined in this discussion document. In this light, the Ministry for the Environment and the Ministry for Primary Industries are working closely with other agencies to ensure all the national direction tools, both existing and proposed are aligned.

### Proposed National Policy Statement on Urban Development

The Government is also consulting on a proposed National Policy Statement on Urban Development (NPS-UD). The proposed NPS-UD aims to provide direction about when and how councils should plan for growth, and how to do this well. It builds on the existing National Policy Statement on Urban Development Capacity 2016 and would require councils to:

- carry out long-term planning on how they will accommodate growth and ensure a quality urban environment;
- ensure plans make room for growth both 'up' and out', and that rules are not unnecessarily constraining growth;
- develop, monitor and maintain an evidence base about demand, supply and prices for housing and land, to inform planning decisions; and
- align and co-ordinate planning across urban areas, and appropriately reflect Māori values and interests.

The proposed NPS-UD would take a targeted approach, applying more rigorous requirements to our largest, fastest growing cities and urban centres where housing shortages create national impacts. It would direct councils to be more strategic about planning how and where development should occur, including identifying areas where evidence shows urban development may not be appropriate. It would build on and strengthen the requirement for councils with major urban centres to identify new urban areas through future development strategies. The interaction between this proposal for highly

5 National policy statements are instruments issued under section 52(2) of the Resource Management Act 1991. They state objectives and policies for matters of national significance. The New Zealand Coastal Policy Statement 2010 (prepared under section 57) applies to the coastal environment which includes land on the landward side of the coastal marine area, and includes policies relating to urban development.

productive land and the proposed NPS-UD is discussed in more detail in Chapters 3 and 5.

### Further amendments to the National Policy Statement for Freshwater Management 2014 and proposed National Environmental Standards[6] for Freshwater Management

The Government will shortly be consulting on amendments to the NPS for Freshwater Management 2014 (amended 2017) and a new National Environmental Standard for Freshwater Management as part of the Essential Freshwater Programme. The programme has three objectives:

- **Stopping further degradation and loss** – taking a series of actions now to stop the state of our freshwater resources, waterways and ecosystems getting worse, and to start making immediate improvements so water quality is materially improving within five years.
- **Reversing past damage** – promoting restoration activity to bring our freshwater resources, waterways and ecosystems to a healthy state within a generation, including through a new National Policy Statement for Freshwater Management and other legal instruments.
- **Addressing water allocation issues** – working to achieve efficient and fair allocation of freshwater and nutrient discharges, having regard to all interests including Māori, and existing and potential new users.

The key interaction between the proposal set out in this document and the existing and proposed freshwater national direction instruments will be where land-use controls (e.g. the proposed Freshwater National Environmental Standard, or regional rules) are required to meet freshwater management objectives in areas that may also contain highly productive land. Councils will need to balance both the freshwater management and highly productive land objectives in deciding what and where activities can take place.

### National Planning Standards

The national planning standards are a relatively new tool in the national direction toolbox. Two key purposes of the planning standards is to require national consistency across resource management plans and to support the implementation of national policy statements, national environmental standards or other regulations made under the RMA. The first set of national planning standards, gazetted in April 2019, 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. With these foundation standards in place, we expect this will make it easier for any future planning standards prepared to support the consistent implementation of other national directions to be included in plans.

Note: Further details and updates on the above will be placed on the **Ministry for the Environment's website.**

6 National environmental standards are regulations issued under section 43 of the Resource Management Act 1991 and can apply regionally or nationally.

CAFE

# 2 Context

## 2.1 Why land matters

People need land for survival: for food, water, raw materials and shelter. Land encompasses rocks and soil, plants and creatures, and the ecosystems where they interact. The land sustains every aspect of our lives: it provides life-supporting systems; it is the foundation of our economy and society; and it supports the expression of our culture, spirituality and identity through the connections to place and history.

Māori have had a long history and a close interdependent relationship with the natural environment, particularly the soil resources.[7] The story of Whenua Māori is an interweaving of profound connection and alienation. There is an abiding link to whenua (land), and to Papatūānuku (the Earth Mother). According to Māori history and legends, Papatūānuku is the realm in which whenua is a fundamental component. Papatūānuku is honoured by Māori as tangata whenua, the indigenous people of Aotearoa New Zealand.[8]

## 2.2 Highly productive land is a valuable and limited resource

While highly productive land (as defined in section 2.3) makes up a small proportion of all land in New Zealand, it provides significant value locally and nationally by providing a number of benefits. Some types of primary production, for instance market gardening and vegetable production, rely heavily on highly productive land to produce crops that meet consumer expectations at yields that provide a sufficient return for food producers.

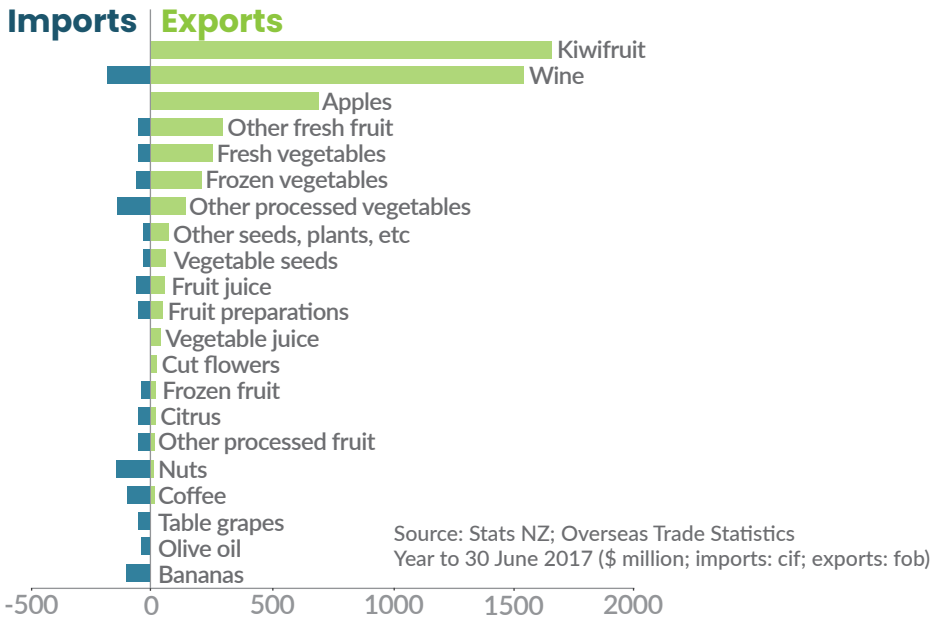
Many imported crops cannot be grown in New Zealand. Others complement availability gaps in New Zealand's own seasonal production. Figure 1 below shows the value of fruit and vegetables to New Zealand in 2017, and compares imports and exports.

Many rural communities and their economies have been established around highly productive land. As well as providing direct employment

7 Churchman G, and Landa E (editors) (2014). *The soil underfoot: infinite possibilities for a finite resource*. Taylor and Francis Group.

8 Ministry for the Environment and Stats NZ (2018). *New Zealand's Environmental Reporting Series: Our land 2018*. Retrieved from **www.mfe.govt.nz** and **www.stats.govt.nz**

Figure 1: Comparisons of New Zealand's key exports and imports of fruit and vegetable products in 2017 ($ million)



(such as on a farm, orchard, vineyard or market garden), intensive primary sector activities support employment and businesses across the primary sector value chain. Any reduction in the availability of highly productive land in existing food production 'hubs' is likely to have flow-on effects across this value chain and may result in an increase in the cost of vegetables over time.

The produce from highly productive land can also help shape a community's identity. Anecdotal information suggests that communities take pride in living in an area that is well known for particular produce. Some communities have chosen to celebrate this with annual harvest festivals, regular farmers' markets and even erecting large novelty statues including a kiwifruit in Te Puke, various fruits in Cromwell and a carrot in Ohakune.

Many vegetables are grown on highly productive land close to large urban centres. There may be some cost efficiencies in producing vegetables within a close proximity to these population centres. While a degree of inter-regional food supply will always be needed due to certain crops performing better in different regions, there is a growing desire from consumers for locally-grown food.

## What is happening overseas?

**A reduction in the availability of highly productive land has been identified in other countries.**

As a result of urban expansion onto food-growing land in Melbourne, Australia, local vegetable production is expected to reduce from providing 82 percent of Greater Melbourne's needs to just 21 percent by 2050 (Sheridan J, Larsen K, Carey R. (2015). *Melbourne's foodbowl: now and at seven million*. Victorian Eco-Innovation Lab, The University of Melbourne).

In the United States of America (USA), every state has enacted its own right-to-farm laws. These regulations seek to protect qualifying farmers and ranchers from nuisance lawsuits from newly-established rural dwellers who try to stop or reduce farming operations that they perceive as a nuisance (National Agricultural Law Centre, USA (2019). *States' Right-To-Farm Statutes:* https://nationalaglawcenter.org/state-compilations/right-to-farm).

Both Oregon in the USA and Adelaide in Australia have long-standing planning regimes that restrict development on, and subdivision of, productive land.

Europe is also putting protective measures in place for productive land. The 7th Environment Action Programme, which is guiding European Union (EU) environmental policy until 2020, recognises that soil protection is a serious challenge. The EU has identified the impact of soil sealing, when the ground is covered by impermeable material such as concrete or asphalt, as a threat to fertile agricultural land and one of the main causes of soil degradation for EU countries. In 2012, the EU produced guidelines for best practices to reduce, mitigate and compensate for soil sealing (European Union, (2012). *Guidelines on best practice to limit, mitigate or compensate:* http://ec.europa.eu/environment/soil/pdf/guidelines/pub/soil_en.pdf).

## 2.3 Defining highly productive land

### The Land Use Capability classification system

The most common system councils use to classify highly productive land is the Land Use Capability (LUC) system, which considers physical factors (rock type, soil, slope, severity of erosion, and vegetation) as well as inventory factors (climate, the effects of past land-use, and potential for erosion). Under the LUC system, land is categorised into eight classes according to its long-term capability to sustain one or more productive uses.

Land that is classified as Class 1 under the LUC system is the most versatile and has the fewest limitations for use, while Class 8 is the least versatile with the highest limitations for use.

Some councils define highly productive land as land that contains Class 1 and 2 soil, which makes up about 5 percent of New Zealand's land. Others consider Classes 1, 2 and 3 as highly productive, which makes up around 14 percent of our land (excluding conservation land and existing urban areas). The location of this land is displayed in Figure 3.

### Other highly productive land

There may be other highly productive land that is not considered to be versatile under the LUC classification system that could be facing rural-urban challenges. Land used for viticulture and other high-value industries, such as stone fruit, tends to have an LUC class above three and historically has not been considered as highly productive. However, this land can still have unique characteristics that may warrant it being included in the scope of this proposed national direction.

The intent of this proposed policy is to give councils and their communities the flexibility to identify land that has a lower LUC class rating (i.e. the less versatile land of LUC Classes 4–8), but also contains special properties that make it highly productive and worth protecting (e.g. suitability of the climate, water availability, size of the area of land).

Figure 2: Increasing limitations to use and decreasing versatility of use from LUC Class 1 to 8

Increasing limitations to use ↓

| LUC Class | Arable cropping suitability | Pastoral grazing suitability | Production forestry suitability | General suitability |
|---|---|---|---|---|
| 1 | High ↓ Low | High ↓ Low | High ↓ Low | Multiple use land |
| 2 | | | | |
| 3 | | | | |
| 4 | | | | |
| 5 | Unsuitable | | | Pastoral or forestry land |
| 6 | | | | |
| 7 | | | | |
| 8 | | Unsuitable | Unsuitable | Conservation land |

Decreasing versatility to use ↓

Note: Arable cropping suitability includes vegetable cropping: https://www.landcareresearch.co.nz/__data/assets/pdf_file/0017/50048/luc_handbook.pdf

# Limitations of the LUC classification system

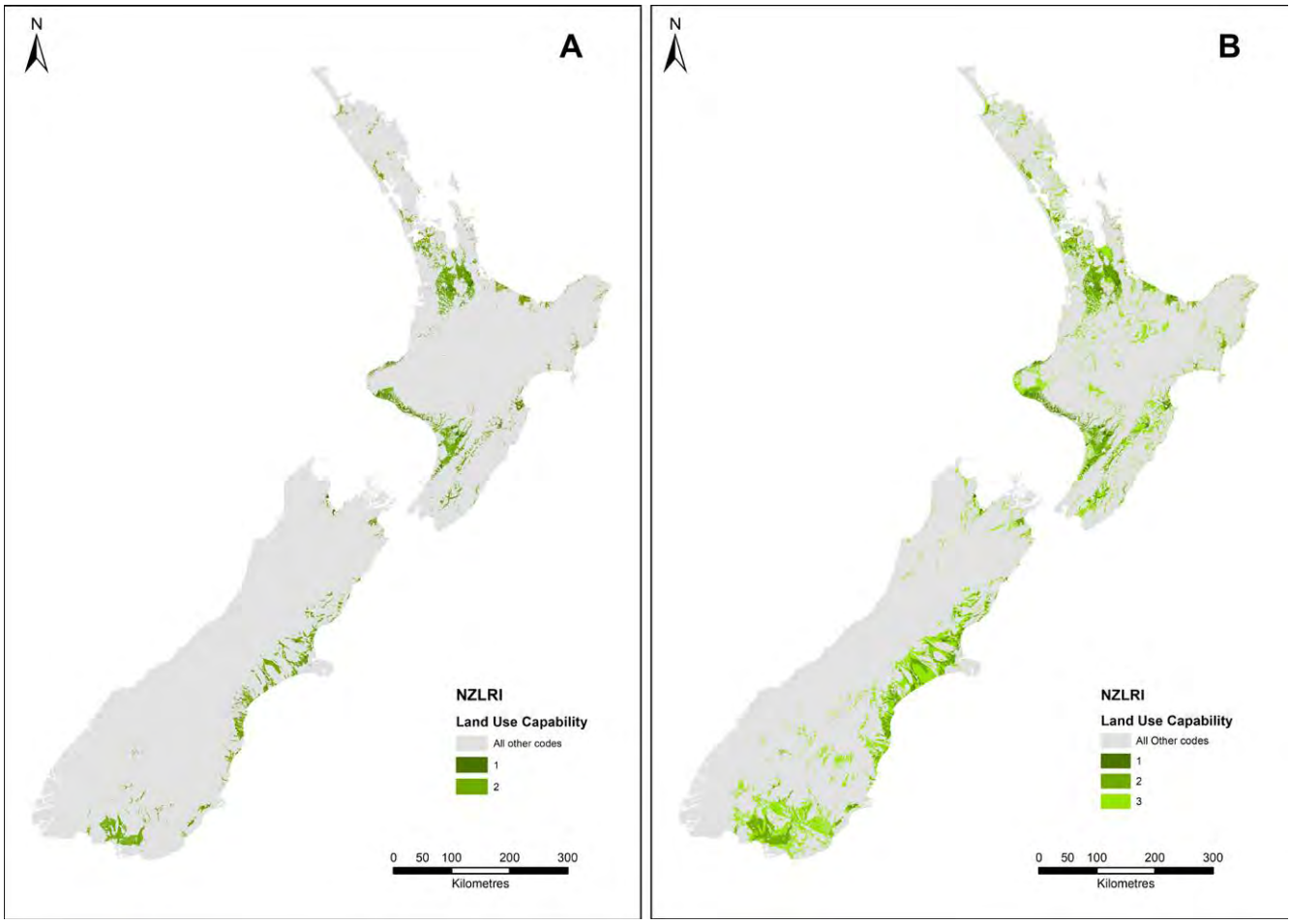
The LUC classification system was developed in the 1970s using the best available science at the time. While it is a useful tool for informing land management, there are a number of limitations to its use, including:

- the scale of mapping (1:50,000 to 1:63,000) is not of sufficient resolution to accurately identify where mapped LUC areas sit in relation to property boundaries;
- discrepancies between, and sometimes within, regions in how the tool has been used to classify land; and
- the static nature of the data, which has not been updated since it was mapped in the 1970s and 1980s.

Councils have attempted to resolve these issues by adapting the data, and adding in new information as it comes to hand. However, this has been done at varying levels of accuracy and scale, and often in an ad-hoc manner as part of resource consent applications.

Despite its limitations, the LUC classification system is the best system available to classify the productivity of land and soil resources in New Zealand.

Figure 3: Distribution of New Zealand's Land Use Capability Classes (A) 1 and 2 and (B) 1, 2 and 3




Note: this map excludes conservation land, urban areas (at the time of mapping) and the beds of rivers and lakes (New Zealand Land Resource Inventory).

## Other factors that make land highly productive

There are other key factors that contribute to whether land can be considered highly productive. While the features of the land are the primary factors that influence its versatility for a range of land uses (as described in the LUC system), there are also external factors that influence the versatility and productive capability of land, for example:

**The size and cohesiveness of land properties to support primary production**

- When land is fragmented into smaller lot sizes, particularly for rural lifestyle developments, the production capability of that land generally falls. A study in 2012 reported that up to 66 percent of properties less than 4 hectares, and up to 82 percent of those less than 1.5 hectares, were not being used for any productive purpose.[9]

**The current or potential availability of water**

- Water availability is an important limiting factor for primary production, particularly horticulture.[10] Water levels are monitored by councils and the use of water for primary production is restricted in many areas.

**Access to transport routes and appropriate labour markets**

- Many uses of highly productive land are labour intensive, particularly when the land is used for horticulture. Land in more remote areas, where there are limited services to support workers and few sealed roads to transport produce, can be less productive.

The consideration of factors other than soil will be particularly important in protecting land where growing vegetables over winter is possible as the presence of these factors may have a stronger influence in enabling production than soil alone. Considering these other aspects will reduce the chance of land being protected, and therefore not used for highly productive primary production.

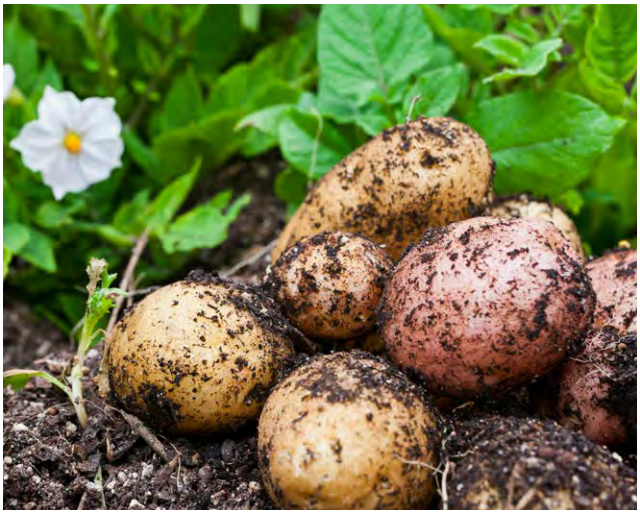
## Proposed definition of highly productive land

The definition of highly productive land in the proposed NPS is based on the LUC classification system, but it will provide flexibility for councils to identify highly productive land based on a range of considerations.

When the proposed NPS comes into effect, the proposed default definition of highly productive land is land with an LUC classification of Class 1, 2 or 3.

It is then proposed that regional councils will be required to identify highly productive land based on a range of considerations, including those set out in 2.3.3 above, to exclude some of this land, or to identify other highly productive land. Regional councils will need to undertake this process, in consultation with their communities, within three years of the proposed NPS coming into effect. The default definition would provide some protection of highly productive land while regional councils undertake this process.

More information about the factors councils will need to consider when identifying highly productive land is set out in the draft policy under Chapter 5.



9 Andrew R & Dymond JR. (2012). Expansion of lifestyle blocks and urban areas onto high-class land: An update for planning and policy, *Journal of the Royal Society of New Zealand*.

10 Mu Q, Zhao M, Heinsch FA, Liu M, Tian H, and Running SW. (2007). Evaluating water stress controls on primary production in biogeochemical and remote sensing based models, *J. Geophys. Res.*, 112, G01012, doi:10.1029/2006JG000179

# 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 range of primary production activities.**

Approximately 8 percent of Māori land (113,238 hectares) and 3 percent of Treaty Settlement Land (30,419 hectares) is classed as LUC 1–3.* This whenua, which would meet the proposed default definition of highly productive land in the NPS, would apply until regional councils map highly productive land in their regions. Regional councils may also propose to identify areas of whenua Māori as highly productive land when giving effect to the NPS following consultation with affected iwi authorities and Māori landowners.

The NPS provisions currently do not differentiate between whenua Māori and other forms of tenure when identifying and protecting highly productive land. However, it is expected this is something that councils will consider as part of the process to identify highly productive land as the proposed NPS criteria enables councils to consider the current use of land and the environmental, economic, social and cultural benefits it provides. This is important as there are a number of constraints that apply to Māori land that do not apply to general land. This also reflects the fact the subdivision of whenua Māori is generally dealt with by the Māori Land Court, not under the subdivision provisions of the RMA, and is not subject to the same pressures for rural lifestyle development.

*Districts and regions with the largest amount of whenua Māori classified as LUC 1-3 are Gisborne, South Taranaki, Whakatane, Ruapehu, Far North, Ōpōtiki and Wairoa (in that order).

## 2.4 Climate change and technology could change what we consider to be highly productive land

Climate change is already affecting New Zealand's land systems. We can expect severe effects on land from long-term changes and increased frequency of intense rainfall events and droughts. Based on the latest climate projections for New Zealand, by the end of this century we are likely to experience:

- **Higher temperatures** – greater increases in the North Island than the South, with greatest warming in the northeast (although the amount of warming in New Zealand is likely to be lower than the global average);
- **Rising sea levels** – including salt water intrusion into ground water and up river systems;
- **More frequent extreme weather events** – such as droughts (especially in the east of New Zealand) and floods; and
- **A change in rainfall patterns** – with increased summer rainfall in the north and east of the North Island and increased winter rainfall in many parts of the South Island.

Adapting to climate change is a long-term challenge. An increasing frequency of adverse climate events causes potential volatility for primary producers from season to season.

The effects of climate change on the location and availability of highly productive land are uncertain. As parts of the country become warmer, cooler, drier or wetter, the areas that are currently considered to be highly productive could change, prompting a reassessment of what land should be prioritised for protection.

Technology also affects how we use land and soils. For example, in New Zealand the development of irrigation technologies has allowed dairying on a much broader range of soils and climates. Further innovations in digital monitoring, robotics, animal health and genetics, farm equipment and analytical software are predicted to have a big impact on the way we produce food.

The future effects of climate change will be considered by councils when giving effect to this proposal, including when identifying highly productive land.[11] The future effects of climate change and technology are also drivers for Government building in a review of this proposal at regular intervals to ensure it is fit-for-purpose and achieving its objectives.

11 Councils will need to consider the climate, among other factors, when identifying highly productive land. The Resource Management Act 1991 also requires councils to consider the future effects of climate change.

### Questions

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

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

# 3 The problem we want to solve

**This chapter draws on available evidence on the pressures and land-use planning issues affecting highly productive land and patterns of land-use change on highly productive land. It has been informed by feedback from primary sector and council representatives during recent stakeholder workshops leading up to this consultation.**

Much of the information that we have received has been anecdotal in nature. Additional information is needed to confirm aspects of the problem statement; better understand the impacts highly productive land loss is having across New Zealand currently; and better understand the future impacts of this loss on the use of our highly productive land resource. Questions are included throughout this chapter to gather more evidence on this.

## 3.1 Problem statement

Under the RMA there is a lack of clarity on how highly productive land should be managed.

The lack of clarity under the RMA means the value of highly productive land for primary production is given inadequate consideration, with more weight generally given to other matters and priorities.

Absence of considered decision-making is resulting in unco-ordinated urban expansion, and fragmentation, of highly productive land when alternative locations and approaches may be available. This is precluding the best use of this finite resource for primary production for the benefit of New Zealand.

### There is a lack of clarity on how councils should manage highly productive land under the RMA

The Resource Management Act 1991 (RMA) provides the regulatory framework to manage the use of natural and physical resources including land, soil, fresh water and the coastal marine area. The purpose of the RMA is to promote the sustainable management of natural and physical resources. The definition of sustainable management is set out in section 5(2) of the RMA, which includes reference to safeguarding the life-supporting capacity of soil.

Section 7 of the RMA sets out "other matters" that persons exercising functions and powers under the RMA must have particular regard to. The management of highly productive soils (land) is a relevant consideration under section 7(b) and 7(g) of the RMA, which refer to the efficient use and development of, as well as the finite characteristics of, "natural and physical resources". This has been clarified by the Courts, which have found that land/soil is a resource that must be considered under sections 5 and 7 in relation to both present and future generations.

Despite this clarification, concerns have been raised by councils, soil scientists and primary sector representatives that the lack of explicit reference in the RMA to this issue is resulting in limited weight being given to highly productive land when making decisions on competing land uses. Many other matters that must be considered under sections 5 and 7 of the RMA have been expanded on and clarified through existing RMA national direction[12], but highly productive land has not. This lack of clarity means New Zealand's highly productive land resource is being sealed by urban development or fragmented into less productive rural lifestyle developments, often without due consideration of the long-term value this finite resource provides to New Zealand.[13] There has also been a reluctance from some councils to propose strong provisions relating to highly productive land in the absence of any supporting national direction on this matter.

12 Information about existing national direction under the RMA is available on the Ministry for the Environment's website: **http://www.mfe.govt.nz/rma/rma-legislative-tools**

13 Curran-Cournane F, Golubiewski N, Buckthought L. (2018). The odds appear stacked against versatile land: can we change them?, *New Zealand Journal of Agricultural Research*, DOI: 10.1080/00288233.2018.1430590

The lack of clarity under the RMA framework has resulted in councils taking a variety of approaches to protect and manage highly productive land across New Zealand. Some regional policy statements and plans have defined highly productive land (or similar) and include clear direction in the objectives and policies on how this resource should be managed. Conversely, some plans are completely silent on highly productive land and how this resource should be considered alongside other matters and uses. There is also a high level of variation in:

- **The objectives and policies to guide land-use decision-making on highly productive land**. Depending on the circumstances of the region or district, this policy direction ranges from very strong (e.g. avoiding urban expansion on highly productive land) to policy direction that allows for urban growth and development on highly productive land in certain situations. Some plan provisions combine the direction to protect highly productive land with some form of qualifier (e.g. "where practicable"[14]) which may result in incremental urban development on highly productive land (and loss in availability for primary production) as each proposal is assessed on a case by case basis.
- **Subdivision rules to manage fragmentation of highly productive land.** The common approach to manage fragmentation is through setting larger minimum lot size standards for subdivisions in rural production zones and concentrating rural lifestyle development in certain areas/zones to alleviate pressure on the highly productive land resource. However, these types of mechanisms are not used consistently and some district plans still have a permissive subdivision regime in their main rural zone(s) that can lead to fragmentation of productive rural areas. Subdivision rules within rural zones also rarely distinguish between subdivision on highly productive areas and less productive land.

The variation in planning approaches across New Zealand reflects variation in the extent of highly productive land, urban expansion pressures and patterns of land use. Some past and current planning approaches are failing to protect highly productive land for primary production, as evident in the high rates of urban expansion on, and fragmentation of, this finite resource (discussed under sections 3.2 and 3.3 below). This relates both to the effectiveness of the approach taken, how the provisions are applied in practice, and other considerations being given more weight in land-use decisions.

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

Councils have clear obligations to recognise and provide for matters of national importance under section 6 of the RMA and give effect to national policy statements. As highly productive land is not specifically dealt with under the RMA, competing considerations that are explicitly referenced in section 6 of the RMA, or in national direction, can take precedence in land-use planning and decision-making over the long-term retention of highly productive land for primary production. Furthermore, the absence of any supporting national direction on this matter means there can be a reluctance to propose strong provisions relating to highly productive land and/or the weight of these provisions can be diminished through the statutory process.

Central and local government are driven to ensure that growing populations will have adequate housing and infrastructure, and the need to provide for urban capacity is contributing to increasing pressure on the highly productive land resource near urban centres. There is an ongoing incremental, cumulative loss of highly productive land for primary production as decision-makers discount the significance of an area when it is considered in the context of the total area of highly productive land in the region/district. This was highlighted in a recent High Court decision[15] regarding the location of the Rural Urban Boundary in Auckland. It was also a reason a large amount of highly productive land was included within the Rural Urban Boundary (i.e. zoned for an urban use) or zoned as Countryside Living through Auckland's Unitary Plan process.

The value of preserving highly productive land for primary production is often difficult to quantify by councils at a district or regional level. The issues facing highly productive land are compounded

14 The term "where practicable" can be open to wide interpretation and is often a low threshold for determining whether primary production is "practicable".

15 *Jay Gock and Fay Gock v Auckland Council* [2019] NZHC 276.

by the common approach taken to value land-use change under the RMA. Marginal analysis based on comparison of land-use outcomes in financial terms at a single parcel level is heavily weighted toward favouring change away from primary production activities. This is because the financial returns from residential and business uses are, in almost all instances, greater than those from primary production activities using highly productive land. Similarly, the value of land for rural lifestyle development is usually several times that of land used for primary production activities. However, at the macro level, providing for urban development on non-highly productive land is far less costly to the overall economy than allowing consumption of highly productive land. Therefore, the scale at which highly productive land is considered may result in it being undervalued due to the localised benefits associated with its conversion to urban use.

### Inadequate consideration of highly productive land is resulting in the progressive loss of this valuable resource for primary production

The *Our land 2018* report highlighted the reduction in the availability of highly productive land for primary production due to:

- urban expansion onto highly productive land; and
- fragmentation of highly productive land by ad hoc development and rural lifestyle development.

Growers and councils have also raised concerns about the impact of new sensitive and incompatible activities conflicting with established activities, resulting in "reverse sensitivity effects".

We are particularly interested in identifying the barriers councils and communities have when addressing the above three problems. The sections below provide further detail.

### Questions

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

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

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

## 3.2 Urban expansion on to highly productive land

Urban expansion into rural areas has had a significant effect on the availability of highly productive land for primary production. From 1996 to 2012, New Zealand's urban areas increased by 10 percent to approximately 228,000 hectares.[16] While not all urban expansion occurs on highly productive land, evidence suggests a high portion does. From 1990 to 2008, 29 percent of these new urban areas were on LUC Class 1 and 2 land (which makes up only 5.2 percent of New Zealand's land area), with the greatest urban expansion occurring in Auckland (2,600 hectares), and Canterbury (4,800 hectares). This urban expansion is partly driven by an increasing population (19 percent increase in the New Zealand population between 1996 and 2013), and the need for new housing, particularly near existing urban centres. There has also been a tendency for urban expansion in New Zealand to occur outwards rather than upwards, when both forms of development are needed.

Urban expansion and paving over land reduces the availability of highly productive land for primary production. Once an area of highly productive land is converted to urban use the likelihood of it reverting to primary production is extremely low. The ongoing urban expansion onto highly productive land may have wide-ranging and intergenerational impacts on rural communities and economies that are based around primary production.

16 Ministry for the Environment and Stats NZ (2018). *New Zealand's Environmental Reporting Series: Our land 2018*. Retrieved from **www.mfe.govt.nz** and **www.stats.govt.nz**.

### Urban expansion can have a particularly significant impact on horticulture

Urban expansion can impact on all forms of land-based primary production. However, the scale and value of horticulture hubs, and the typically flat, well-serviced land that they occupy at urban fringes, makes horticulture more vulnerable to urban expansion than other primary sectors. From 2002 to 2016, New Zealand's area of land previously used for vegetable growing decreased 29 percent, from nearly 100,000 hectares to about 70,000.[17]

The impact on the horticulture sector from urban expansion onto highly productive land would not present an issue if there is the ability for horticulture production to move to suitable land elsewhere. However, there are often a range of regulatory, environmental and physical constraints that limit the ability of horticulture production to move elsewhere and this is a particular barrier for New Zealand's productive horticulture hubs. These constraints include land availability and price, climate, regional controls (particularly requirements to manage the impact of activities on freshwater quality), availability of water, and the critical mass of supporting processing facilities. Feedback from stakeholders suggests these constraints are not being adequately considered when providing for urban expansion onto highly productive land.

### Questions

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

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

## 3.3 Fragmentation of highly productive land

Fragmentation of land parcels can result in land becoming unsuitable for certain types of primary production activities and therefore reduce the overall availability of highly productive land for primary production. Fragmentation is generally the result of subdivision of land in rural areas which is often concentrated in peri-urban areas and/or within rural areas seen as desirable places to live for their rural amenity and character.

There has been a sharp increase in rural lifestyle development in recent decades.[18] New Zealand has around 175,000 rural lifestyle developments, occupying around 873,000 hectares of land. *Our land*

17 Deloitte (2018). *New Zealand's Food Story: The Pukekohe Hub*. Prepared for Horticulture New Zealand, August 2018.

18 In this document, rural-lifestyle development means subdivision and development where the primary purpose is rural-residential or rural lifestyle use within a rural area with a lot smaller than those of the General Rural and Rural Production zones, typically in the range of 0.2–8 hectares.

*2018* reported that over 40 percent of these have been established since 1998 – an average of 5,800 new blocks a year. In Auckland, 35 percent of the most versatile land is occupied by rural lifestyle properties.[19]

Rural lifestyle development may have a greater impact on the availability of highly productive land for the primary sector than urban expansion. While the outward growth of urban centres between 1990 and 2008 occurred on 0.5 percent of New Zealand's LUC class 1 and 2 land, analysis in the same study shows that rural lifestyle zones had already occupied 10 percent of all LUC Class 1 and 2 land.[20]

In some instances, councils have strong provisions in their plans to manage the impact of fragmentation of productive rural areas and ensure new rural lifestyle development is appropriately managed. This is increasingly evident in second generation plans through the use of different zones to concentrate rural lifestyle development in certain locations, often close to existing urban areas, to alleviate pressure for rural lifestyle development in rural production zones containing highly productive land. However, there are also district plans across New Zealand that contain one general rural zone but lack direction on how rural lifestyle development and fragmentation of highly productive land should be managed.

While the fragmentation of land ownership is legally reversible, in practice this is not common as a property's value generally increases when it is converted to a rural lifestyle property (Andrew & Dymond, 2013; Curran-Cournane et al., 2018). As a consequence, fragmentation of highly productive land generally results in the permanent loss of that land for primary production. Measuring the impact of rural lifestyle development on primary production is difficult as very little information is available.

## Some small blocks of land are highly productive

The extent to which rural lifestyle developments are used for primary production varies markedly, from intensively farmed small blocks, producing a range of commercial agricultural and horticultural products, through to low intensity operations, producing for the needs of the household.

The break-up of properties for rural lifestyle development can be disruptive to existing farming practices, particularly where the subdivision is of highly productive land which has been used for horticultural production. However, when these developments occur on less productive grazing land, there can be more diversity in production and new investment. Past research and surveys have generally found that smaller blocks will experience a moderate to significant fall in overall production when broken up. In contrast larger blocks, and those converted from more extensive grazing, may see an increase in agricultural production and value when subdivided.[21]

### Questions

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

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

19 Deloitte (2018). *New Zealand's Food Story: The Pukekohe Hub*. Prepared for Horticulture New Zealand, August 2018.

20 Andrew R, & Dymond JR. (2013). Expansion of lifestyle blocks and urban areas onto high-class land: An update for planning and policy. *Journal of the Royal Society of New Zealand*, 43(3), 128–140.

21 Lillis et al. (2005). *Smallholdings in New Zealand*. New Zealand Agricultural and Resource Economics Society (Inc.). Paper presented at the 2005 NZARES Conference.

## 3.4 Reverse sensitivity

Reverse sensitivity is a well-known planning concept under the RMA. It refers to the vulnerability of an existing activity to complaints from newly located activities in close proximity that are sensitive or incompatible with that existing activity. In practice, complaints and potentially legal challenges from these newly established activities can compromise the established activity by restricting when and how it can operate. Reverse sensitivity is not unique to highly productive land or primary production. However, reverse sensitivity effects can be a particular issue for certain primary production operations.

In productive rural environments, common reverse sensitive effects relate to complaints about the operation and noise of machinery, pesticide and fertiliser spraying and application, and dust and smells associated with primary production. This can lead to complaints and subsequent constraints on these established operations. For example, reverse sensitivity associated with development pressures was identified by a local growers' community as one of the key challenges resulting from urban expansion and rural fragmentation in Pukekohe.[22] However, the extent of the impacts on established primary production activities are difficult to quantify.

There is extensive case law on reverse sensitivity. This has confirmed that the management of reverse sensitivity effects is not just about imposing constraints on new sensitive and potentially incompatible activities. The first principle is that the activity causing the adverse effects should internalise those effects to the extent practicable.

### Questions

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

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

Only where established activities cannot internalise the adverse effects and the continued presence of that activity in the area is important locally, regionally or nationally, should this result in constraints on new sensitive and potentially incompatible activities.[23]

## 3.5 These issues are being seen throughout New Zealand

The indicative cost-benefit assessment for this proposal looked in depth at the approach six councils take to managing highly productive land. These councils are: Auckland; Waipa District; Western Bay of Plenty District; Horowhenua District; Selwyn District; and Ashburton District. The assessment found highly productive land was prone to urban expansion and fragmentation throughout New Zealand, and that councils are taking a variety of approaches to manage this and the associated reverse sensitivity effects. A summary of the findings from these case studies is provided in Appendix B. Further information is available in the full cost benefit assessment which is available at **www.mpi.govt.nz/HighlyProductiveLand**.

### Questions

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

Are you aware of other problems facing highly productive land?

## 3.6 National direction would help councils consider highly productive land alongside their other priorities

The New Zealand planning system is highly devolved with the RMA empowering councils to make the vast majority of decisions regarding land use and urban expansion within their jurisdictions.

22 Curran-Cournane F, Cain T, Greenhalgh S, Samarasinghe O. (2016). Attitudes of a farming community towards urban growth and rural fragmentation – an Auckland case study. *Land Use Policy*. 58:241–250.

23 Refer *Winstone Aggregates v Matamata-Piako DC* [2005] 11 ELRNZ.

Through national direction[24], central government can influence planning outcomes by providing direction and guidance to councils on matters of ational significance. This type of direction can influence and improve planning practice and align it with the Governments' overarching resource management objectives.

The soil science community and some councils have outlined the need for national direction for highly productive land to better manage this resource of national significance to ensure it is available for primary production now and for future generations.[25] The *Our land 2018* report brought a range of evidence together that supports the need for national direction on highly productive land.

National direction on highly productive land could provide councils with a clearer framework for managing the soil resource and assessing trade-offs between competing land uses - in particular, urban expansion and rural lifestyle development. This would also respond to concerns raised by some councils that it is difficult to provide sufficient weight to highly productive land when making planning decisions.

The RMA framework requires decision-makers to comprehensively consider development alternatives rather than focusing on the best value use for each single parcel. National direction for highly productive land could provide clear direction that urban development should be avoided on highly productive land where other feasible options exist. It would enable councils to better consider how they can manage the availability of the highly productive soil resource for primary production while continuing to allow councils to provide for urban capacity in an appropriate manner.

24 National direction refers to tools under the RMA to direct how the Act should be administered and applied. The tools include national environmental standards, national policy statements, national planning standards and regulations made under section 360.

25 Curran-Cournane F, Golubiewski N, Buckthought L. (2018). The odds appear stacked against versatile land: can we change them?, *New Zealand Journal of Agricultural Research*, DOI: 10.1080/00288233.2018.1430590

# 4 Options for solving the problem

**This chapter provides an overview of the key options considered to address the problems outlined in Chapter 3, and a high-level assessment of those options.**

There are tools within the RMA that can be used to provide national direction on a particular problem or matter of national significance. There are also regulatory and non-regulatory options that sit outside the RMA that can be used to provide national direction and guidance. Three options were identified as the key options to address the identified problems:

- A National Policy Statement for Highly Productive Land;
- National Environmental Standards for Highly Productive Land; and
- Amendments to the National Policy Statement on Urban Development Capacity 2016.

Another option considered was amending section 6 of the RMA to include the protection of highly productive land as a matter of national importance, similar to the Town and Country Planning Act 1977, which could work on its own or in conjunction with the national direction options above. However, amendments to Part 2 of the RMA would need to be considered over a longer timeframe as part of the wider review of the resource management system and would take many years to achieve the desired outcomes through RMA plan provisions and resource consent decisions. As such, this option was not identified as a key option at this stage but may be considered as part of future resource management reform.

## 4.1 Option one: National Policy Statement

National Policy Statements (NPS) set out objectives and policies for matters of national significance relevant to achieving the purpose of the RMA. An NPS may also state objectives, policies and methods and other requirements that councils must include in their policy statements and plans. Councils must "give effect to" relevant NPS provisions through their regional policy statements and plans (section 62(3), 67(3)(a) and 75(3)(a)). Consent authorities must also have regard to relevant provisions of an NPS when considering an application for resource consent (section 104(1)(b)(iii)).

An NPS for highly productive land could provide clear direction to councils on how to identify and manage highly productive land and address the key land use planning issues outlined in Chapter 3. An NPS would provide a clear signal to councils that highly productive land is a nationally significant, finite resource and would provide clear direction that it should be considered as such within the RMA planning framework. This would help to ensure the benefits and value of highly productive land are given more weight in land use planning and decision-making. A key benefit of this option is that an NPS still allows for some flexibility for councils to respond to local pressures and priorities when giving effect to the objectives and policies in the NPS.

The main limitation of this option is that there is less certainty the desired outcomes will be achieved as the NPS is still subject to interpretation at the local level. The room for interpretation and variability will be determined by the level of direction provided in the NPS. Prescriptive objectives and policies can leave limited scope for interpretation and will limit this risk. Another limitation is that it could be up to 10 years until councils give effect to the NPS through amendments to their policy statements and plans (depending on the timeframes prescribed in the NPS), and the associated implementation costs for councils. However, these limitations can be mitigated through requiring objectives and policies in the NPS to be directly inserted into plans and policy statements (in accordance with section 55(2) of the RMA) and through aligning implementation timeframes with the implementation of other national direction.

## 4.2 Option two: National Environmental Standards

National Environmental Standards (NES) are regulations made under section 43 of the RMA. NES prescribe standards for environmental matters and can operate as plan rules to provide greater consistency and certainty in resource consent requirements nationally. NES generally prevail over plan rules, except where an NES expressly states plan rules can be more stringent or lenient.

An NES for highly productive land would provide more prescriptive protection of highly productive

land and a nationally consistent set of regulations to manage different land use activities on highly productive land. For example, an NES for highly productive land could permit primary production activities on highly productive land (subject to appropriate conditions) and restrict non-productive and sensitive activities through a more stringent activity status. An NES could also include minimum lot size standards for subdivisions on highly productive land that apply nationally. A key benefit of this option is that an NES could have immediate effect and provide a high level of certainty and consistency in how the NES is implemented and the outcomes achieved.

The main limitation of an NES option for highly productive land is it provides limited flexibility to respond to different priorities and pressures locally. The NES could allow plan rules to be more stringent or lenient or could target certain locations, but this needs to be finely balanced if the consistency and certainty benefits of an NES are to be achieved. An NES would also need to be carefully designed to ensure it was appropriate in all locations it is applied to and does not have unintended consequences for "locking-in" certain land uses on highly productive land. Tailoring this option would likely lead to a complex and time-consuming process. The immediate impacts on landowners would also likely be greater under this option whereas an NPS must be given effect to by councils in RMA policy statements and plans before any regulatory methods could be introduced, which gives affected landowners and stakeholders a chance to input into the process.

## 4.3 Option three: Amendments to the National Policy Statement on Urban Development Capacity

Option three would involve amendments to the National Policy Statement on Urban Development Capacity 2016 (NPS-UDC) to explicitly require highly productive land to be considered when identifying new urban areas to meet the NPS-UDC requirements. For example, there could be a requirement in the NPS-UDC to consider highly productive land when identifying areas that future urban areas must avoid within future development strategies. This option would be in addition to the current changes proposed to the NPS-UDC through the proposed National Policy Statement on Urban Development (NPS-UD) outlined in the discussion document which is available on the **Ministry of Housing and Urban Development's website**.

This option could be effective in dealing with urban encroachment onto highly productive lands, which is one of the problems identified in Chapter 3. A key benefit of this option is it would use existing national direction to address this problem rather than introduce another national instrument into the RMA planning framework. This would likely lead to reduced implementation costs and effort for councils and reduce the potential for inconsistencies between different national instruments. This option would also focus certain policies in the NPS to "high growth areas" where the pressures on the highly productive land resource are greater.

However, there are significant limitations of this option. This approach would only address one aspect of the problem (urban expansion). It would have limited ability to address fragmentation of highly productive land through rural lifestyle development which is a key problem this proposed national direction seeks to address, or inappropriate use of highly productive land by rural ancillary activities. Additionally, many policies of the current NPS-UDC and proposed NPS-UD do not apply to all councils. In particular the NPS-UDC only requires councils in high-growth urban areas to produce future development strategies. This approach is proposed to be retained within the proposed NPS-UD with the requirements only applying to "Major Urban Centres". This option would therefore not result in the consistent protection of highly productive land from urban expansion and fragmentation across New Zealand.

At this time, we consider these limitations would be a barrier for this option to achieve the objectives of the proposed NPS. It may be appropriate to revisit this following public consultation if feedback suggests it would be beneficial to expand the scope of the proposed NPS-UD and merge these two instruments.

## 4.4 Criteria for assessing the options

We used the following criteria to assess the three options above:

- **Effectiveness** – to address inadequate consideration of highly productive land (the key problem outlined in Chapter 3);
- **Level of direction** - the ability for councils to direct actions and outcomes, increasing certainty and consistency in implementation;
- **Flexibility** – to allow local authorities to respond to local priorities, pressures and community expectations and balance other national priorities;
- **Complexity and costs** - the complexity, cost and effort to develop (central government) and implement (councils) the option; and
- **Timeliness** - the ability to be developed and implemented in an appropriate timeframe (allow for implementation of the desired outcome in the shortest timeframe).

Table 1 provides a summary of the high-level assessment of the status quo and the three options against these criteria with more weighting given to the first effectiveness. Appendix A provides some narrative on how each criteria was assessed.

## 4.5 Preferred option – a National Policy Statement

Based on the assessment outlined in the sections above and in Appendix A, the Government considers that a stand-alone NPS is the most appropriate way to address the identified problems and achieve the policy objective. However, feedback from public consultation may result in the identification of a new preferred option.

A stand-alone NPS is preferred as it has the potential to provide considerable improvements in how highly productive land is considered and managed by councils. An NPS can also provide a higher degree of flexibility for councils to consider and respond to local circumstances when giving effect to the NPS, while still providing clear direction on the outcomes that need to be achieved.

In addition to the criteria outlined in section 4.4, we considered the potential risk any option for national intervention for highly productive land may constrain the supply of land for urban development. Managing this risk requires a flexible approach that allows councils to make land available for urban development and to provide for development capacity to meet demand while also considering the benefits in retaining highly productive land for primary production. Flexibility is one of the key factors in identifying an NPS as the preferred option to avoid the potential risks of restricting urban development and conflicting with the Government's housing objectives. An NPS would also need to focus on redirecting (rather than constraining) urban growth to ensure urban development capacity is not impacted.

The proposal outlined in Chapter 5 seeks to manage these trade-offs and support the wider urban work programme agenda by providing councils with an ability to apply discretion around the most appropriate use of land based on a clear and transparent consideration of benefits, costs and risks.

## Table 1: High-level assessment of the different options for national direction

| Option | Effectiveness to address problem | Level of direction | Flexibility | Complexity and costs (to develop and implement) | Timeliness (to develop and implement) |
|---|---|---|---|---|---|
| Status quo | ✗ | ✗ | ✓ | ✓ | ✓ |
| Option one: NPS | ✓ | ~ | ✓ | ~ | ✓ |
| Option two: NES | ~ | ~ | ✗ | ~ | ~ |
| Option three: Amend NPS-UDC | ~ | ~ | ✓ | ✓ | ✓ |

**Table key:**

✓ meets criteria

~ partially meets criteria

✗ does not meet criteria

## Questions

Which option do you think would be the most effective to address the problems identified in Chapter 3? Why?

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

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

J.S. EWERS LTD

# 5 How a National Policy Statement would work

## 5.1 Overview of the proposal

This chapter provides an overview of the proposal – a National Policy Statement (NPS) for Highly Productive Land, including the overall purpose, scope and focus of the proposed NPS. It also outlines the proposed objectives and policies in the NPS and the outcomes sought from those provisions. Draft wording is provided for the NPS objectives and policies to assist with obtaining feedback. This wording will be refined through the public consultation process. We are most interested in your feedback on the policy intent of the objectives and policies rather than feedback on the specific wording of the proposed NPS objectives and policies. To assist with providing feedback, key questions are included throughout this chapter.

## 5.2 Purpose of proposed National Policy Statement

The overall purpose of the proposed NPS is to improve the way highly productive land is managed under the RMA to:

- recognise the full range of values and benefits associated with the use of highly productive land for primary production;
- maintain the availability of highly productive land for primary production for future generations; and
- protect highly productive land from inappropriate subdivision, use and development.

The objective of the proposed NPS is not to provide absolute protection of highly productive land. The reference to maintaining the availability of highly productive land also does not imply there should be no net loss of highly productive land within a region or district. In some circumstances, this would not be practical due to population growth pressures and other constraints on where urban development can be located. Rather, the purpose of the proposed NPS is to require councils to consider the highly productive land resource within their region or district to ensure its availability for primary production now and for future generations.

The reference to "highly productive land" recognises there are other factors in addition to soil quality that determine the productive capacity of land for primary production[26]. While most councils define highly productive soils based on the LUC (typically Classes 1–3 or 1–2), there are lower classes of LUC land (4–6) that can be highly productive. The proposed NPS includes requirements for councils to identify highly productive land based on a set of defined criteria (soil capability, climate, and the size and cohesiveness of the area) with LUC Classes 1–3 being the default criteria that determines what is highly productive land for the purposes of the proposed NPS until this process has been undertaken. This is discussed further below in section 5.4 in relation to proposed Policy 1.

A key focus of the NPS is to 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. What is appropriate and inappropriate will depend on context and actual impacts of development on highly productive land. The proposed NPS provides direction on what is "inappropriate", which would then be defined further through regional policy statements and district plans. For example, new urban development may be appropriate on highly productive land when it is the only feasible option and alternative locations and options (e.g. intensification) have clearly been considered. Conversely, uncoordinated urban expansion and sporadic "rural lifestyle development"[27] on highly productive land would generally be considered inappropriate under the proposed NPS as it is an inefficient use of highly productive land.

26 Refer *Canterbury Regional Council v Selwyn District Council*, (1996) 2 ELRNZ 395.

27 Rural lifestyle development is proposed to be defined in the NPS as follows: "Subdivision and development where the primary purpose is rural-residential or rural lifestyle within a rural environment with a lot smaller than those of the General Rural and Rural Production zones, typically in the range of 0.2 ha to 8 hectares".

The proposed NPS is focused on maintaining highly productive land for "primary production"[28] into the future to ensure the NPS does not favour a particular primary sector at the expense of others. The focus is on managing certain types of development that typically result in the irreversible loss in availability of highly productive land for primary production. Generally, the conversion of highly productive land to urban land uses (residential, commercial, industrial) results in the irreversible loss of that land for primary production for current and future generations. The conversion of highly productive land to rural lifestyle development may not be strictly irreversible from a physical perspective, but the higher land prices and smaller economic units means a return to primary production is generally very unlikely.

### Questions

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

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

## 5.3 The scope of the proposal

The proposed NPS addresses the three key land-use planning issues affecting highly productive land (as outlined in Chapter 3). The scope of the proposed NPS does not address:

- **soil quality:** This will be undertaken as a separate piece of work commencing in 2020; or
- **regional constraints to land use flexibility** (e.g. constraints on horticultural production for water quality purposes): this is being addressed as part of the Essential Freshwater work programme.

The proposed NPS is primarily directed at regional policy statements and district plans. It sets out considerations and requirements to be included in regional policy statements and district plans to manage urban development and subdivision on highly productive land.

The proposed NPS also includes policies to guide decision-making on:

- plan changes to rezone highly productive land to an urban use or more densely populated rural-residential or rural-lifestyle use; and
- resource consent applications for urban development and subdivisions on highly productive land.

These two policies, the objectives, and the policy relating to urban expansion[29] would apply when the NPS comes into effect. This will ensure the proposed NPS has some immediate effect on land-use planning decisions in the transitional period until local authorities give effect to the policies in the proposed NPS that require highly productive land to be identified and/or changes to district plans. The NPS could also require certain policies to be directly inserted into policy statements and plans without using the Schedule 1 process in accordance with section 55(2) of the RMA, to assist with timely and efficient implementation.

The proposed NPS would require highly productive land to be spatially identified based on a set of mandatory criteria and optional considerations. When identifying highly productive land, we propose that it would exclude urban areas. These would be defined in a manner consistent with other national direction as areas within a district plan as being primarily zoned for residential, industrial, or commercial activities[30].

Consideration has also been given to whether the proposed NPS should apply to areas of land that

28 This is proposed to be defined in the NPS in a consistent manner to the primary production definition in the Planning Standards but excluding aquaculture, mining and quarrying. Refer to section 5.6 for the draft definitions in the NPS.

29 Urban expansion is proposed to be defined in the NPS as follows: "means a rezoning or development proposal that would result in land use change from a primarily rural use to a primarily urban use (residential, industrial or commercial)". The proposed policy focused on urban expansion (Policy 3) would therefore apply to rezoning to urban use initiated by a council or private party, or a development proposal that would result in a land use change on highly productive land from primarily rural to urban use.

30 Urban area is proposed to be defined in a consistent manner to the urban area definition in the National Environmental Standards for Plantation Forestry 2017 as follows: "Urban area a) means an area identified in a district plan or proposed district plan as being primarily zoned for residential, industrial, or commercial activities, together with adjoining special-purpose and open-space zones, however described; but does not include an area zoned primarily for rural or rural-residential activities, however described".

have been identified as future urban areas in non-statutory plans or future urban zones in district plans. Future urban areas are often identified by councils when undertaking strategic planning exercises and some district plans (e.g. Auckland Unitary Plan) also include future urban zones to provide certainty about where future urban growth will occur.

Excluding future urban areas from the proposed NPS would ensure this does not undermine existing spatial planning work councils have done with their communities to plan for and accommodate urban growth. While urban development is not enabled until the district plan provides for such development, the identification of future urban areas through a strategic planning process and future urban zones sends a clear signal to landowners and developers of where future growth can occur. Individuals, developers and councils will make investment decisions on this basis.

The proposed NPS could also set some clear parameters where the NPS would exclude identified future urban areas and zones. For example, the proposed NPS could not apply to future urban zones in district plans (which have been subject to a full RMA plan change process) and it could also not apply to future urban areas identified through non-statutory strategic documents. The latter would need to be council initiated, subject to public consultation, and formally adopted by council prior to the NPS being gazetted, to ensure it has been through a robust process.

The preferred option at this stage is for the proposed NPS to exclude future urban areas identified in district plans and not exclude future urban areas identified in non-statutory strategic documents. This will provide councils with the flexibility to reconsider future urban areas in non-statutory documents in light of the proposed NPS. It would also avoid the risk of broad indicative future urban areas being excluded from the scope of the proposed NPS. Specific feedback on this approach is sought in the questions below.

The proposed NPS could also state that land parcels under a certain threshold that are unlikely to be productive (e.g. two-four hectares) are not considered as highly productive land under the proposed NPS. However, it is important to ensure this does not lead to perverse outcomes as some forms of primary production can be highly productive on smaller lots. Feedback on this potential exclusion is sought in the questions below.

## Questions

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

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

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

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

### Specific

- How should the National Policy Statement best influence plan preparation and decision-making on resource consents and private plan changes?
- Should the National Policy Statement include policies that must be inserted into policy statements and plans without going through the Schedule 1 process? What are the potential benefits and risks?
- What areas of land, if any, should be excluded from the scope of the proposed National Policy Statement? Why?

## 5.4 The proposed National Policy Statement

### Objectives

We propose the NPS includes three objectives:

- **Objective 1:** Recognising the benefits of highly productive land;
- **Objective 2:** Maintaining the availability of highly productive land; and
- **Objective 3:** Protection from inappropriate subdivision, use and development.

Table 2 below provides example wording for these proposed objectives. There is naturally a degree of overlap between the three objectives and they will work together to achieve the outcomes sought through the proposed NPS.

The policy intent of Objective 1 is to ensure the long-term values and benefits associated with using highly productive land for primary production are better recognised in RMA planning and decision-making. This responds to concerns the long-term, aggregate benefits of protecting highly productive land for primary production are often undervalued compared to the short-term and site specific benefits associated with urban development. The values and benefits of highly productive land can include food production and supply, economic and employment benefits, and social cohesion (as outlined further in section 2.2). It is expected that councils will articulate the key values and benefits associated with highly productive land within the context of their region or district to give effect to Objective 1 and ensure these values and benefits are considered in land-use planning and decision-making.

The intent of Objective 2 is to ensure the availability of highly productive land for primary production is maintained for future generations. This does not imply a no net loss requirement. It would require councils to proactively consider and manage the highly productive land resource within their region or district to ensure this can be used for primary production now and into the future. In practice, this means development that leads to the irreversible loss of highly productive land for primary production should be avoided where other feasible options exist.

Objective 3 provides direction to all decision-makers to ensure highly productive soils are protected from "inappropriate" subdivision, use and development through avoiding certain types of development and adverse effects. This will help to maintain the availability of highly productive land for primary production (Objective 2).

The draft wording for Objective 3 provides an indication of what is "inappropriate" subdivision, use and development (e.g. fragmentation, uncoordinated[31] urban development) while leaving

31 Uncoordinated development would typically capture urban development that has not been subject to a strategic planning process, such as certain private plan changes and applications for ad hoc urban development on highly productive land.

### Table 2: Proposed wording for NPS

**Objective 1: Recognising the benefits of highly productive land**

To recognise and provide for the value and long-term benefits of using highly productive land for primary production.

**Objective 2: Maintaining the availability of highly productive land**

To maintain the availability of highly productive land for primary production for future generations.

**Objective 3: Protecting from inappropriate subdivision, use and development**

To protect highly productive land from inappropriate subdivision, use and development, including by:

- avoiding subdivision and land fragmentation that compromises the use of highly productive land for primary production;
- avoiding uncoordinated urban expansion on highly productive land that has not been subject to a strategic planning process; and
- avoiding and mitigating reverse sensitivity effects from sensitive and incompatible activities within and adjacent to highly productive land.

some flexibility for councils to determine this on a case-by-case basis. Case law[32] has confirmed that reference to "inappropriate" within a provision means there may be appropriate development in particular circumstances. An assessment of what is appropriate and inappropriate development is heavily influenced by context and should be assessed by referring to what is sought to be protected. For example, providing for nationally significant infrastructure on highly productive land may be appropriate where this can largely co-exist with using highly productive land for primary production, there are significant public benefits from that infrastructure, and there is a functional need to be located in that environment.

32 This is in the context of section 6(a) and 6(b) of the RMA. Refer *Environmental Defence Soc Inc v The New Zealand King Salmon Co Ltd* [2014] NZSC 38.

## Questions

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

### Specific

- What level of direction versus flexibility should the objectives provide to maintain the availability of highly productive land for primary production?
- Should the objectives provide more or less guidance on what is "inappropriate subdivision, use and development" on highly productive land? Why/why not?

# Policies

## Policy 1 – Identification of highly productive land

The proposed NPS would include a policy and supporting criteria that would require regional councils to identify highly productive land. The proposed NPS also includes a default definition of highly productive land based on LUC Classes 1 to 3 that would apply in the interim period until councils have identified highly productive land[33]. This is important to allow councils sufficient time to undertake necessary work to identify highly productive land and to ensure some of proposed policies (i.e. policies 3, 6 and 7) have immediate effect when the NPS is gazetted.

Proposed Policy 1 would require regional councils to define the spatial extent of highly productive land in their region and this will inform the application of policies that relate to its management. Identifying highly productive land at the regional level through the regional policy statement (RPS) will allow wider consideration of highly productive land along with the urban expansion pressures and cross-boundary issues between districts in the region. This work could occur alongside complementary work to prepare future development strategies under the NPS-UDC and encourage a broader spatial planning approach. Applying the requirement to identify highly productive land at the regional level may also:

- encourage collaborative planning between councils within regions and greater sharing of resources; and
- allow regional councils to incorporate this work into the adoption of the national planning standards in their RPS which needs to be done by April 2022.

Another benefit of this approach is that only Ministers and territorial authorities in the region can request a change to a regional policy statement, meaning highly productive land identified through an RPS could not be challenged or changed through private plan change requests which can occur for district plans.

A disadvantage of this approach is a longer time lag before the proposed NPS is given effect to, particularly through regulatory methods (e.g. rules controlling subdivisions) in district plans. To mitigate this risk, the NPS would set sequenced timeframes for regional councils and territorial authorities to give effect to Policy 1 (as outlined in the NPS timeframes section below) and apply a default definition of highly productive land until this policy had been given effect to.

The proposed NPS could also allow district plans to identify highly productive land before it is identified in the RPS (e.g. where an RPS has recently been made operative). We welcome feedback on this option.

The proposed NPS would set out the criteria to identify highly productive land based on the key factors that make land versatile and productive for primary production (as discussed in section 2.3). These are:

- the capability and versatility of the land to support primary production (based on the LUC classification);
- the suitability of the climate to support primary production, particularly crop production (e.g. a frost-free climate); and
- the size and cohesiveness of the area to support primary production. This is important to ensure the NPS does not require existing small pockets of highly productive land to be protected for primary sector use. It also allows local authorities to take a broader view of highly productive land and consider the aggregate benefits a wider area of highly productive land may generate now or in the future.

The above factors are most relevant to horticultural activities, recognising this sector is most dependent on highly productive land. The mandatory criteria are less subjective and can generally be assessed using existing datasets (e.g. LUC classification) and reports (e.g. NIWA climate change scenarios). The proposed NPS would also list the following as optional considerations councils may take into account when identifying highly productive land:

a. the current or future potential availability of water;

33 Draft definition as outlined in the interpretation section: Highly productive land means land that has been identified as highly productive by a local authority in accordance with Policy 1 and Appendix A of this national policy statement. Where a local authority has not identified highly productive land in accordance with Policy 1 and Appendix A, highly productive land is a land parcel in a rural area that contains at least 50% land or 4 hectares (whichever is the lesser) of land defined as Land Use Capability 1, 2 and 3 as mapped by the New Zealand Land Resource Inventory or by more detailed site mapping.

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

The matters set out in clause a) to d) are factors that contribute to the productive value of land but are not always critical factors (as discussed further in section 2.3). Clause e) is intended to serve two functions:

- Allow councils to recognise where the current use of a wider area of highly productive land is generating substantial benefits to the economy and community (e.g. existing food growing hubs and high-value horticulture land). This will then enable them to give greater protection to these areas when giving effect to the policies in the proposed NPS.
- Recognise there are situations where it may not be appropriate to identify highly productive land for primary production as the current use of that land provides other benefits (e.g. biodiversity protection).

Clause f) recognises that highly productive land may be located in catchments with water quality issues, and constraints on the use of that land for primary production may be needed to maintain or improve water quality. This is important to align with the NPSFM and the Government's *Essential Freshwater* Programme.

The identification of highly productive land will require substantial effort from councils. The LUC scale of mapping (1:50,000 to 1:63,000) is not of sufficient resolution to accurately identify where mapped LUC areas sit in relation to property boundaries and it will require considerable effort to undertake this work at the regional or district level. We propose the Government provides guidance and technical assistance to councils to assist with this

work, focusing on those regions with the greatest pressures on the highly productive land resource.

We are also seeking feedback on whether the proposed NPS should limit key policies to regions and districts where the pressures on the highly productive land resource are greatest (refer to implementation section 5.6 below).

Draft wording for proposed Policy 1 and the criteria to identify highly productive land is provided below.

## Proposed Policy 1: Identification of highly productive land

1.1 Regional councils must identify areas of highly productive land using the criteria set out in Appendix A and:

- map each area of highly productive land; and
- amend their regional policy statements to identify areas of highly productive land within the region.

1.2 Territorial authorities must amend their district plans to identify highly productive land identified by the relevant regional council under policy 1.1.

**Appendix A: Criteria to identify highly productive land**

In accordance with Policy 1, regional councils must use the following criteria to assess and identify areas of highly productive land:

a. the capability and versatility of the land to support primary production based on the Land Use Capability classification system;
b. the suitability of the climate for primary production, particularly crop production; and
c. the size and cohesiveness of the area of land to support primary production.

When identifying areas of highly productive land, local authorities may also consider the following factors:

a. [the current or potential availability of water – see question below];
b. access to transport routes;
c. access to appropriate labour markets;
d. supporting rural processing facilities and infrastructure;
e. the current land cover and use and the environmental, economic, social, and cultural benefits it provides; and
f. water quality issues or constraints that may limit the use of the land for primary production.

Highly productive land excludes:

a. urban areas; and
b. areas that have been identified as future urban zones in district plans.

## Questions

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

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

### Specific: Policy 1

- What are the pros and cons of requiring highly productive land to be spatially identified?
- Is the identification of highly productive land best done at the regional or district level? Why?
- What are the likely costs and effort involved in identifying highly productive land in your region?
- What guidance and technical assistance do you think will be beneficial to help councils identify highly productive land?

### Specific: Appendix A

- Should there be a default definition of highly productive land based on the LUC classification until councils identify this? Why/why not?
- What are the key considerations to consider when identifying highly productive land? What factors should be mandatory or optional to consider?
- What are the benefits and risks associated with allowing councils to consider the current and future availability of water when identifying highly productive land? How should this be aligned with Essential Freshwater Programme?
- Should there be a tiered approach to identify and protect highly productive land based on the LUC class (e.g. higher levels of protection to LUC 1 and 2 land compared to LUC 3 land)? Why/why not?

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

Once highly productive land has been identified, we propose that councils would be required to maintain that land for primary production in accordance with the policies in the NPS. This would include an overarching policy (proposed Policy 2) that provides clear direction on how land identified as highly productive is managed and protected to remain productive and available for primary production. This would be supported by more specific policies targeted at urban expansion, fragmentation and reverse sensitivity.

Overarching Policy 2 is intended to implement Objectives 2 and 3 by requiring councils to specify what is "inappropriate subdivision, use, and development on highly productive land" in the context of their region or district, and set out methods to protect highly productive land from such subdivision, use and development. It also allows councils to consider the current and future contribution of a wider area of highly productive land to the economy and community (e.g. existing horticulture food hubs) and give greater protection to those areas. The intent is for regional councils (through their RPS) to set the broad framework to manage highly productive land (once this has been identified) and territorial authorities would implement this framework through regulatory methods. Example wording for this overarching policy is provided below.

### Proposed Policy 2: Maintaining highly productive land for primary production

Local authorities must maintain the availability and productive capacity* of highly productive land for primary production by making changes to their regional policy statements and district plans to:

a. prioritise the use of highly productive land for primary production

b. consider giving greater protection to areas of highly productive land that make a greater contribution to the economy and community;

c. identify inappropriate subdivision, use and development of highly productive land; and

d. protect highly productive land from the identified inappropriate subdivision, use and development.

*Note the draft definition for productive capacity is: "means, in relation to highly productive land, the physical qualities of the land to support primary production and generate the most economic output. This includes consideration of physical constraints on use of land for primary production (e.g. lot size, presence of structures and buildings) but does not include consideration of wider soil quality issues".

### Question

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

# Alignment with the Urban Growth Agenda

The Government's Urban Growth Agenda work programme aims to remove barriers to the supply of land and infrastructure and make room for cities to grow out and up. This work programme focuses on five areas, two of which (Urban Planning, and Spatial Planning) have strong linkages to this proposal.

While the Urban Planning pillar component of the Urban Growth Agenda work programme has a focus on making room for cities to grow, it also seeks to encourage quality built environments and enable strategic integrated planning. A large part of this work is being progressed through the proposed National Policy Statement on Urban Development (NPS-UD) which the Government is consulting on alongside this proposal.

The proposed NPS-UD would broaden existing requirements for councils to undertake strategic planning through developing a future development strategy. Future development strategies require councils to demonstrate how and where they will provide for urban development to meet the needs of current and future communities. While the NPS-UD will continue to only require councils in major urban centres to produce a future development strategy, it is an approach encouraged for all councils experiencing growth.

Producing a future development strategy and other strategic planning processes provides the opportunity to align identifying urban growth areas and identifying areas where urban development should be avoided. This proposal will require councils to identify highly productive land where urban development and other incompatible non-primary production activities should be avoided. Councils should therefore consider undertaking these assessments together to streamline processes, improve their spatial planning frameworks and improve planning outcomes. The Government considers the requirement to identify highly productive land under this proposal will support councils to identify areas where urban development should be avoided through their future development strategy while allowing for new urban areas on highly productive land in appropriate circumstances.

The Spatial Planning pillar within the Urban Growth Agenda seeks to build a stronger relationship between central and local government to develop integrated spatial planning. Spatial planning is a collaborative exercise to produce an evidence-based, future-focused long-term strategy for an area. A spatial plan would outline the high-level geographic direction for future urban growth and set the overarching strategic direction for a region. The initial focus of the Urban Growth Agenda spatial planning work is on the Auckland–Hamilton corridor. This proposal would support councils in considering the strategic importance of highly productive land when undertaking spatial planning exercises.

## Questions

- Do you think there are potential areas of tension or confusion between this proposed National Policy Statement and other national direction (either proposed or existing)?
- How can the proposed National Policy Statement for Highly Productive Land and the proposed National Policy Statement on Urban Development best work alongside each other to achieve housing objectives and better management of the highly productive land resource?

## Policy 3 – New urban development on highly productive land

The proposed NPS would include clear policy direction on how highly productive land should be considered when planning for new urban development and growth. This would include direction to councils on how to consider highly productive land when identifying new areas for urban growth (including when preparing future development strategies) to give effect to the proposed NPS-UD, and encourage a broader spatial planning approach. It could also apply to private plan changes to rezone highly productive land to urban use in addition to the specific policy outlined below (refer Policy 6). Draft wording for this policy is provided below.

Consistent with Objective 3, the policy intent of proposed Policy 3 is not to prevent all new urban development and growth from ever occurring on highly productive land. This would not be practicable in some circumstances as many of New Zealand's urban centres are surrounded by highly productive land. Urban expansion onto this land around the existing town centre is likely to be the best outcome from both an urban and economic perspective.

The policy intent of Policy 3 is to provide clear direction that new urban development should generally avoid highly productive land when other feasible options exist. It will require transparent planning and decision-making based on a clear assessment of costs, benefits and trade-offs. Councils will be required to demonstrate they have thoroughly considered alternative locations and options (i.e. intensification). They will also need to have considered the full range of benefits and costs (social, economic, environmental and cultural) arising from urban development on highly productive land compared to the long-term, intergenerational benefits that would occur from the continued use of that land for primary production. This would form part of the section 32 evaluation for proposed plans and plan changes and ensure these considerations form a key focus of the evaluation.

This part of the NPS is strongly linked to the requirements in the proposed NPS-UD, and intends to provide clarity on how highly productive land should be considered when giving effect to the proposed NPS-UD. For example, councils will need to demonstrate how highly productive land has been considered when providing for development capacity and identifying new urban areas in future development strategies. They will also need to demonstrate that alternative options and locations are not feasible to meet demand for dwellings and business land (in accordance with the NPS-UDC methodologies).

### Proposed Policy 3: New urban development and growth on highly productive land

Urban expansion must not be located on highly productive land unless:

a. there is a shortage of development capacity to meet demand (in accordance with the NPS-UDC methodologies and definitions); and

b. it is demonstrated that this is the most appropriate option based on a consideration of:

- a cost-benefit analysis that explicitly considers the long-terms costs associated with the irreversible loss of highly productive land for primary production;
- whether the benefits (environmental, economic, social and cultural) from allowing urban expansion on highly productive land outweigh the benefits of the continued use of that land for primary production; and
- the feasibility of alternative locations and options to provide for the required demand, including intensification of existing urban areas.

## Questions

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

### Specific

- How can this policy best encourage proactive and transparent consideration of highly productive land when identifying areas for new urban development and growth?
- How can the proposed National Policy Statement for Highly Productive Land best align and complement the requirements of the proposed National Policy Statement on Urban Development?

## Policy 4 – Rural subdivision and fragmentation

The proposed NPS contains a policy specifically focused on rural subdivision and fragmentation. Draft wording for this policy is provided below.

The intent of proposed Policy 4 is to build on current best practice in managing the rural land resource. Many district plans include provisions to manage fragmentation of rural land and highly productive land. This includes distinct rural zones to consolidate rural lifestyle development in specific areas, often closer to urban areas.

The proposed policy is intended to ensure councils take a proactive approach to managing fragmentation of highly productive land in rural areas, including through the use of minimum lot size standards for subdivisions that retain the productive capacity of highly productive land. Guidance on appropriate minimum lot size standards for subdivision on highly productive land will be developed to support the implementation of Policy 4, recognising that some flexibility is needed to determine this at the local level as some forms of primary production can be highly productive on small lots.

Proposed Policy 4(b) recognises that councils have a range of options to manage rural fragmentation from subdivision in addition to minimum lot sizes. This includes using a stringent activity status for subdivisions on highly productive land supported by clear objectives and policies to protect the productive capacity of that land, and requirements to design subdivisions to protect areas of highly productive land within the lot. In addition, Policy 4(c) will enable councils to consider the effects of fragmentation on productive capacity at a broader landscape level. This will help to ensure primary production in a geographic area can be sustained at a level that supports the wider primary sector value chain (including goods and service providers).

Depending on localised factors (e.g. extent of urban expansion pressures, existing fragmentation), councils may want to consider incentives to help reverse historic fragmentation. This could include transferable development rights to encourage land owners to amalgamate titles to create larger productive land units on highly productive land in exchange for increased development rights in more suitable locations (e.g. a rural-residential zone). However, these systems can be complex and difficult to administer and are usually only

### Proposed Policy 4: Rural subdivision and fragmentation

Territorial authorities must amend their district plans to manage rural subdivision to avoid fragmentation and maintain the productive capacity of highly productive land, including by:

a. setting minimum lot size standards for subdivision located on highly productive land to retain the productive capacity of that land;

b. incentives and restrictions on subdivisions to help retain and increase the productive capacity of highly productive land; and

c. directing new rural lifestyle development away from areas of highly productive land.

warranted in areas of highly productive land that have been highly fragmented. Guidance would be provided to help councils introduce appropriate mechanisms into their plans to retain and increase the productive capacity of highly productive land.

This proposed policy is also intended to encourage territorial authorities to manage the rural resource in a more strategic and considered manner by identifying areas where rural lifestyle development should be located and consolidated. Some councils do this already, but practice is variable and some district plans only have one generic rural zone to manage all types of rural development. Greater national direction on this issue through proposed Policy 4 will help alleviate some of the pressures on highly productive land for rural lifestyle development and reduce the potential for conflict between rural production activities and sensitive or incompatible activities.

## Questions

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

### Specific

- Should the National Policy Statement provide greater direction on how to manage subdivision on highly productive land (e.g. setting minimum lot size standards for subdivisions)? If so, how can this best be done?
- Should the National Policy Statement encourage incentives and mechanisms to increase the productive capacity of highly productive land (e.g. amalgamation of small titles)? Why/why not?

## Policy 5 – Reverse sensitivity

The proposed NPS would include one policy focused on managing reverse sensitivity effects within and adjacent to highly productive land. Draft wording for this policy is provided below.

Policy 5 is intended to build on current best practice and ensure district plans include provisions to manage reverse sensitivity effects that can constrain and conflict with primary production activities using highly productive land. This is to be achieved by setting out the typical activities and effects that should be tolerated within rural productive areas, restricting new sensitive and potentially 'incompatible activities' on highly productive land, and through setbacks and buffers between highly productive land and adjacent residential and rural lifestyle zones.

As noted earlier in Chapter 3, the management of reverse sensitivity effects is not just about imposing constraints on new sensitive and potentially incompatible activities. The first principle is that the activity causing the adverse effects should internalise those effects to the extent practicable. Only where established activities cannot internalise their adverse effects and the continued presence of that activity in the area is important, should this result in constraints on new sensitive and potentially incompatible activities[34].

The proposed NPS includes a proposed definition for "sensitive activities", based on existing practice (refer to interpretation section 5.5 below). The expectation is that district plans will then use this definition as part of a rule framework to restrict certain sensitive or incompatible activities (e.g. schools, retirement villages) on or adjacent to highly productive land used for primary production. It is expected that a reverse sensitivity rule framework would include (at a minimum) setbacks for sensitive activities to the boundaries of properties within areas of highly productive land, to reduce the potential for reverse sensitivity effects.

34 Refer *Winstone Aggregates v Matamata-Piako DC* (2005) 11 ELRNZ.

## Proposed Policy 5: Reverse sensitivity

Territorial authorities must recognise the potential for sensitive and incompatible activities within and adjacent to areas of highly productive land to result in reverse sensitivity effects and amend their district plans to:

a. identify the typical activities and effects associated with primary production activities on highly productive land that should be anticipated and tolerated in rural areas;

b. restrict new sensitive and potentially incompatible activities on highly productive land to ensure these do not compromise the efficient operation of primary production activities;

c. establish methods to avoid or mitigate reverse sensitivity effects including through setbacks and the design of developments; and

d. establish methods to avoid or mitigate reverse sensitivity effects at the interface between areas of highly productive land and adjacent residential and rural lifestyle zones.

The policy intent of proposed Policy 5(c) is to encourage setbacks and development design to avoid or mitigate reverse sensitivity effects when new sensitive or incompatible activities are proposed within or adjacent to areas of highly productive land. The policy intent of proposed Policy 5(d) is to encourage setbacks and buffers between areas of highly productive land and adjacent residential and rural residential zones to avoid or mitigate reverse sensitivity effects at this interface, which would generally be done as part of a rezoning proposal. This could include buffer strips along boundaries adjoining areas of highly productive land and requirements to plant these strips to help avoid potential reverse sensitivity effects.

## Questions

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

### Specific

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

## Policies 6 and 7 – Consideration of private plan changes and resource consent applications on highly productive land

The proposed NPS contains policies aimed at the considering private plan changes and resource consent applications for urban expansion and subdivision on highly productive land. These policies would give greater specificity to the decision-making frameworks in the RMA for private plan changes (Clause 25, Part 2, Schedule 1) and resource consent applications (sections 104-104D). This is explained further below.

The proposed policies directed at private plan changes and resource consent applications would have immediate effect from the date the NPS comes into effect. This means that they would apply in the interim period before councils have identified and mapped highly productive land in accordance with proposed Policy 1. As outlined in the interpretation section below, the definition of "highly productive land" is proposed below:

- ***Highly productive land*** *means land that has been identified as highly productive by a local authority in accordance with Policy 1 and Appendix A of this National Policy Statement.*
  *Where a local authority has not identified highly productive land in accordance with Policy 1 and Appendix A, highly productive land is a land parcel in a rural area that contains at least 50% land defined as Land Use Capability 1, 2 and 3 as mapped by the New Zealand Land Resource Inventory or by more detailed site mapping.*

The effect of this proposed definition is that highly productive land would be defined as land containing LUC 1-3 class land in the transitional period until the relevant council identifies highly productive land in accordance with Policy 1 and Appendix A. It is expected that a site-specific LUC assessment would be required to support applications on highly productive land. Draft wording for these proposed policies is provided below.

Proposed Policy 6 is intended to provide additional direction on how to consider private plan changes in accordance with Clauses 25(2)-(4) of Schedule 1, particularly in relation to when a private plan change may be rejected under Clause 25(4). This sets out the grounds on which a private plan change request may be rejected, including whether it is in accordance with sound resource management practice or if it would make the plan inconsistent with Part 5 of the RMA (standards, policy statements, and plans).

Proposed Policy 7 is aimed at considering resource consent applications for urban development on highly productive land. Section 104(b)(iii) of the RMA requires consent authorities to consider the relevant provisions of an NPS when considering an application for resource consent (unless the activity status of the application and matters of control or discretion preclude this). This applies to all relevant provisions in the proposed NPS. Proposed Policy 7 is a relevant consideration under section 104(b)(iii) of the RMA and is also intended to provide more direction on how to consider the effects of a proposed activity or use of highly productive land under section 104(1)(a) of the RMA.

The intent of these policies is to ensure a simple economic argument that highly productive land is worth more as urban development does not outweigh the irreversible lost value of highly productive land for primary production. It is also to ensure local authorities take a strategic approach to considering private plan changes and resource consent applications on the highly productive land resource in their region or district, rather than focus on the best use of an individual land parcel(s).

The first criteria a council should consider is whether the private plan change request or resource consent application aligns with relevant local authority plans and policies relating to urban growth, such as a structure plan for a particular area or a future development strategy to give effect to the NPS-UDC. Where the proposed plan change or resource consent application aligns with anticipated growth areas, it would be appropriate for the council to consider accepting the request or granting an application (assuming the proposal aligns with other relevant objectives and policies). However, if the proposal is not aligned with anticipated growth areas, the council should have grounds to reject the request or decline the application on the basis it is inconsistent with the objectives and policies in this proposed NPS. In some districts, there may not be any relevant strategic policies and plans relating to urban growth and highly productive land. In these circumstances, the first criteria in the proposed policies above would not be relevant.

## Proposed Policy 6: Consideration of requests for plan changes

When considering a request for a private plan change for urban expansion on highly productive land, or to rezone an area of highly productive land to rural lifestyle use, local authorities must have regard to:

a. The alignment of the request with relevant local authority statutory and non-statutory plans and policies relating to urban growth and highly productive land;

b. The benefits (environmental, economic, social and cultural) from the proposed use of land compared to benefits from the continued use of that land for primary production; and

c. Whether there are alternative options for the proposed use on land that has less value for primary production.

## Proposed Policy 7: Consideration of resource consent applications for subdivision and urban expansion on highly productive land

When considering an application for subdivision or urban expansion on highly productive land, consent authorities must have regard to:

a. The alignment of the application with relevant local authority statutory and non-statutory plans and policies relating to urban growth and highly productive land;

b. The extent to which the subdivision or development will impact on the existing and future use of the land for primary production;

c. The practical and functional need for the subdivision or urban expansion to occur at that location;

d. The potential for reverse sensitivity effects and proposed methods to avoid or mitigate potential adverse effects on, and conflicts with, lawfully established activities; and

e. The benefits (environmental, economic, social and cultural) from the proposed activity compared to the long-term benefits that would occur from the continued or potential use of the land for primary production.

Resource consent applications must include a site-specific Land Use Capability Assessment prepared by a suitably qualified expert.

## Questions

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

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

### Specific

- Should these policies be directly inserted into plans without going through the Schedule 1 process (i.e. as a transitional policy until each council gives effect to the National Policy Statement)? What are the potential benefits and risks?
- How can these policies best assist decision-makers consider trade-offs, benefits, costs and alternatives when urban development and subdivision is proposed on highly productive land?
- Should the policies extend beyond rural lifestyle subdivision and urban development to large scale rural industries operations on highly productive land? Why/why not?

The remaining criteria in Policies 6 and 7 would help guide decision-making on private plan changes and resource consent applications proposed on highly productive land. The intent is to ensure applicants clearly demonstrate the need for, and benefits of, the proposed development on highly productive land and that these outweigh the benefits of the continued use of the land for primary production before any private plan changes request or resource consent application is approved.

## 5.5 Interpretation

The following draft definitions are proposed to assist in the interpretation and implementation of the proposed NPS objectives and policies. They would apply unless the context would otherwise require.

**Highly productive land** means:

a. land that has been identified as highly productive by a local authority in accordance with Policy 1 and Appendix A of this national policy statement; or

b. where a local authority has not identified highly productive land in accordance with Policy 1 and Appendix A, a land parcel in a rural area that contains at least 50% or 4 hectares of land (whichever is the lesser) defined as Land Use Capability 1, 2 and 3 as mapped by the New Zealand Land Resource Inventory or by more detailed site mapping; but

c. does not include urban areas or areas that have been identified as a future urban zone in a district plan or proposed district plan.

**Primary production** means:

a. any agricultural, pastoral, horticultural, or forestry activities; and

b. includes initial processing, as an ancillary activity, of commodities that result from the listed activities in a); and

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

d. excludes further processing of those commodities into a different product.

**Productive capacity** means, in relation to highly productive land, the physical qualities of the land to support primary production and generate the most economic output. This includes consideration of physical constraints on use of land for primary production (e.g. lot size, presence of structures and buildings) but does not include consideration of wider soil quality issues.

**Sensitive activity** means an education facility, community facility, residential activity, visitor accommodation, retirement village, health facility or hospital, marae.

**Rural area** means an area identified in a district plan or proposed district plan as a general rural zone or rural production zone, but does not include an area identified as a rural lifestyle zone (however described).

**Rural lifestyle development** means subdivision and development where the primary purpose is rural-residential or rural lifestyle use within a rural area with a lot smaller than those of the General Rural and Rural Production zones, typically in the range of 0.2-8 hectares.

**Urban area** means:

a. an area identified in a district plan or proposed district plan as being primarily zoned for residential, industrial, or commercial activities, together with adjoining special-purpose and open-space zones, however described; but

b. does not include an area zoned primarily for rural or rural-lifestyle activities, however described.

**Urban expansion** means a rezoning or development proposal that would result in land use change from a primarily rural use to a primarily urban use (residential, industrial or commercial).

It is also proposed that the NPS adopts a number of definitions that are used in the National Planning Standards for consistency. The key definitions in the National Planning Standards to be adopted by the NPS are outlined below.

**General rural zone** means areas used predominantly for primary production activities, including intensive indoor primary production. The zone may also be used for a range of activities that support primary production activities, including

associated rural industry, and other activities that require a rural location.

**Residential activity** means the use of land and building(s) for people's living accommodation.

**Rural lifestyle zone** means areas used predominantly for a residential lifestyle within a rural environment on lots smaller than those of the General rural and Rural production zones, while still enabling primary production to occur.

**Rural production zone** means areas used predominantly for primary production activities that rely on the productive nature of the land and intensive indoor primary production. The zone may also be used for a range of activities that support primary production activities, including associated rural industry, and other activities that require a rural location.

## Questions

- Do any of the draft definitions in the National Policy Statement need further clarification? If so, how?
- Are there other key terms in the National Policy Statement that should be defined and, if so, how?
- Should there be minimum threshold for highly productive land (i.e. as a percentage of site or minimum hectares)? Why/why not?

## 5.6 Implementation

The Government 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 focus efforts where the pressures on the highly productive land resource are greatest, the NPS could apply certain policies to different areas. For example, policies could be targeted to major urban centres (as defined in the proposed NPS-UD) and/or districts that have a high portion of highly productive land based on the LUC classification system.

To support the implementation of the NPS, the Government intends to establish an implementation programme that includes guidance, targeted training and monitoring. The guidance would help local authorities to identify highly productive land and to implement the policies in the proposed NPS.

## 5.7 Timeframes

The proposed NPS would set out timeframes for giving effect to certain policies, with other policies having immediate effect from the date the proposed NPS is gazetted. The proposed timeframes are as follows:

- **Proposed Policy 1.1 and 2** – regional councils must identify highly productive land no later than three years after the NPS is gazetted; and
- **Proposed Policies 1.2, 2, 4 and 5** – territorial authorities must implement these policies no later than two years after the relevant regional council identifies highly productive land in accordance with proposed Policy 1.1, or no later than five years after the NPS is gazetted.

The objectives and remaining policies in the proposed NPS would have immediate effect from the date the NPS is gazetted and would have to be implemented as soon as practicable after this date.

### Questions

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

#### Specific

- Do you think a planning standard is needed to support the consistent implementation of some proposals in this document?
- If yes, what specific provisions do you consider are effectively delivered via a planning standard tool?

### Questions

- What is the most appropriate and workable approach for highly productive land to be identified by council? Should this be sequenced as proposed?
- What is an appropriate and workable timeframe to allow councils to identify highly productive land and amend their policy statements and plans to identify that land?

## 5.8 Expected costs and benefits from the proposed National Policy Statement

An assessment of the indicative costs and benefits of the proposed NPS for Highly Productive Land has been undertaken and this is available on the Ministry for Primary Industries and Ministry for the Environment websites. The indicative cost benefit analysis (CBA) includes a qualitative assessment of national costs and benefits and a quantitative assessment of costs and benefits expected from the proposed NPS based on six case studies. These case study areas[35] span both high and low growth urban and rural environments, differing primary sector roles within the local economy, different mixes of primary production activities, and differing extents of LUC class 1-3 resource relative to total land area.

The spatial analysis of each case study area has examined social and economic activities in each district relative to LUC class 1-3 land. It has considered the relative significance of different activities and land uses in the rural environment compared to the urban environment, and the relative significance of activities located on highly productive land versus other (less productive) land. Current patterns of lifestyle block subdivision and development has also been considered, as this is identified as the key cause of rural fragmentation and the resulting loss of productive capacity for primary production.

Future demand for lifestyle properties has been modelled in detail in each case study area and placed on the ground based on subdivision potential under operative minimum lot sizes and location preferences for lifestyle development (using current trends). The location of future subdivision relative to the HPS resource highlights the scale and significance of subdivision activity that could be redirected to less productive land under the proposed NPS. The avoided loss of primary production on highly productive land that may be subdivided under the proposed NPS compared to the status quo (based on existing plan provisions and subdivision patterns) is a key focus of the spatial analysis and monetised benefits in the indicative CBA.

The monetised results from the CBA of the six case studies found an overall moderate positive economic effect from protecting the highly productive land under the proposed NPS compared to the status quo, with a benefit-cost ratio between 1.01 ('low/medium' regulatory scenario) and 1.24 ('high' regulatory scenario). The monetised benefits relate to the avoided loss of primary production output that would occur under the proposed NPS compared to that modelled under the status quo[36], and the monetised costs relate to the implementation costs for councils and costs of inputs for primary production.

It is important to note that the indicative CBA has limitations in that it was not able to monetise and quantify a number of benefits and costs. In particular, it gives no monetary value to the intrinsic value of natural capital in the form of protection of highly productive land. This challenge/limitation is always present when assessing the benefits and costs of environmental regulation.

Similarly, some key costs have not been monetised in the indicative CBA. This includes the value of sub-dividable land, as an indicator of opportunity cost to landowners from less flexibility to subdivide their property when this is identified as highly productive land. At a district level this loss of value for a single parcel may have a corresponding increase in value for parcels with subdivision potential in other parts of the district where projected growth is not constrained. As such, the indicative CBA notes there are not expected to be any net opportunity costs at the district level in most cases. Likewise, the costs of potential restrictions on urban expansion have not been quantified in the indicative CBA. These two categories of costs may be significant, depending on how councils respond to the proposed NPS. Further work to understand and quantify these potential costs will be undertaken and included in the final CBA post-consultation.

The quantitative results from the six case studies in the indicative CBA are shown in table 3 below for the two NPS scenarios. These are based on a 30-year time period and a conservative discount rate of 8 percent.

35 Auckland, Waipa, Western Bay of Plenty, Horowhenua, Selwyn, and Ashburton.

36 Based on an analysis of current plan provisions and a continuation of current subdivision patterns.

## Table 3: Indicative CBA ($ million)

| | | Low-medium scenario (total) | High scenario (total) |
|---|---|---|---|
| Costs ($M) | Regulatory and administrative costs to councils | $17 | $17 |
| | Costs of resources used for primary production | $53 | $198 |
| | **Sub-total** | **$70** | **$215** |
| Benefits ($M) | Future production protected | $71 | $51 |
| Net benefits ($M) | | $1 | $51 |
| Cost benefit ratio | | 1.01 | 1.24 |

The main implementation costs for regional councils of the proposed NPS is identifying and mapping highly productive land. The indicative CBA was not able to estimate costs for this spatial-economic exercise due to:

- variability of data held by individual councils;
- uncertainty on the process that councils will take for this process; and
- difficulty in separating this work from other spatial planning exercises required by various existing and proposed national direction instruments.

One potential input to that process could be more accurate soil mapping data. It was estimated that completing S-Map coverage of all LUC class 1-3 soils could, for example, cost around $6-9M (national total). This is however only one of many inputs expected to be utilised to define HPL in each region, so actual costs are expected to be higher.

In addition, regional and district councils will need to go through a plan change process to give effect to the proposed NPS. The indicative CBA estimates these costs based on generic plan change cost information, which indicate these costs are likely to be highly variable in practice. District plan changes to give effect to the proposed NPS are estimated to have an average cost of $1.2M and changes to regional policy statement are estimated to cost $1.5M on average.

Key qualitative benefits identified in the indicative CBA include greater protection of the primary sector value chain, environmental benefits, improved consistency and certainty under the RMA, improved spatial planning, and better management of reverse sensitivity effects. Other qualitative costs identified in the indicative CBA include the increase in cost of preparing resource consent applications and the potential inefficiencies associated with redirecting urban development away from highly productive land.

More detailed analysis on the costs and benefits of the proposed NPS will be completed as a part of the final CBA following consultation. There will be limitations to this analysis at a national level due to uncertainty on exactly how councils will give effect to the proposed NPS, future zoning decisions made by councils, and local variability in the land uses and growth pressures that need to be considered by councils when giving effect to the proposed NPS. Finer scale analysis of costs and benefits of proposed provisions is a requirement of section 32 of the RMA that needs to be completed for any plan change to give effect to the proposed NPS.

It is also important to note that landowners do not have an unfettered right to subdivide or change the use of their land. Development rights are determined by the underlying zone rules in the district plan and within rural zones there are generally restrictions in place for subdivision and changes to urban use.[37]

37 The use of land is subject to regulatory controls under the RMA and district plans set controls on what use can occur where. This is true of residential land, where a landowner cannot ordinarily change to commercial or industrial use. The same applies to rural land where the landowner does not have an automatic right to subdivide land into residential blocks where the land has not been rezoned for residential use. Change in land use is both restricted and enabled by the underlying zone plan rules and consent conditions under the RMA. RMA plans must also give effect to any national direction issued under the RMA and consent authorities must have regard to any relevant national direction.

Other qualitative costs identified in the indicative CBA include the increase in cost of preparing resource consent applications and the potential inefficiencies associated with redirecting urban development away from highly productive land.

Further information about key findings from the indicative CBA is included under Appendix B. The full assessment is available at **www.mpi.govt.nz/HighlyProductiveLand.**

# 6 Next steps – have your say

## 6.1 Get involved – making a submission

You are invited to make a submission on the proposed National Policy Statement.

The submission period allows for consultation with the public and interest groups. During this period the Ministry for Primary Industries and the Ministry for the Environment will give presentations around the country and answer questions about the proposed National Policy Statement. These workshops will be widely advertised, including on **www.mpi.govt.nz/HighlyProductiveLand.**

The Government welcomes your feedback on this consultation document. The questions throughout the document and summarised below are a guide only. You do not have to answer all the questions, and all comments are welcome.

To ensure others clearly understand your point of view, you should explain the reasons for your views and give supporting evidence if needed.

### You can make a submission in three ways

- Use our online submission tool, available at **www.mpi.govt.nz/HighlyProductiveLand**
  **This is our preferred way to receive submissions.**
  Download the submission form to complete and return to us. This is available at **www.mpi.govt.nz/HighlyProductiveLand**
- If you do not have access to a computer, we can post a form to you.
- Write your own submission.

If you are posting your submission, send it to:
Ministry for Primary Industries
PO Box 2526
Wellington 6140
New Zealand.

Please include the following information with your submission:

- the title of the consultation
- your name or organisation
- your postal address
- your telephone number
- your email address.

If you are emailing your submission, send it to **soils@mpi.govt.nz** as a:

- PDF
- Microsoft Word document (2003 or later version).

**Your submission must be forwarded in time to be received no later than 5.00pm on 10 October 2019.**

Note: All or part of any written submission (including names of submitters) may be published on the Ministry for Primary Industries website, **www.mpi.govt.nz**, or the Ministry for the Environment's website, **www.mfe.govt.nz**. Unless you clearly specify otherwise in your submission, the Ministries will consider that you have agreed to have your submission and your name posted on its website.

Contents of submissions may be released to the public under the Official Information Act 1982, if requested. Please let us know if you do not want some or all of your submission released, stating which part(s) you consider should be withheld and the reason(s) for withholding the information.

Under the Privacy Act 1993, people have access to information held by agencies about them. Any personal information you send with your submission will only be used in relation to matters covered by this document. In your submission, please indicate if you prefer that we do not include your name in the published summary of submissions.

## 6.2 What happens to submissions?

The Ministry for Primary Industries and the Ministry for the Environment will analyse all the submissions received and prepare report on submissions and recommendations on the submissions received.

An evaluation under section 32 of the RMA will also be prepared. The section 32 evaluation must examine the extent to which the objectives of the proposal are the most appropriate way to achieve the purpose of the RMA, and the extent to which the proposed provisions are the most efficient and effective to achieve the objectives.

The report on submissions and the section 32 evaluation will then be provided to the Minister of Agriculture and the Minister for the Environment for consideration. Once the Minister for the Environment has considered these reports and evaluations, the Minister may make changes to the proposed NPS. Once the drafting is finalised, the Minister for the Environment will recommend the Governor-General approve the NPS. It is anticipated that the NPS will be gazetted in early 2020.

## 6.3 For more information

Please direct any queries to **soils@mpi.govt.nz**

## 6.4 Your feedback: discussion questions

Your submission may address any aspect of the proposed subject matter of the proposed NPS. The Ministry for Primary Industries and the Ministry for the Environment would also appreciate any specific comment you might have on the questions posed in the document.

### General questions

The general questions below are included throughout the discussion document (see relevant section) and may assist when providing a submission.

**2.3 Defining highly productive land**

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

**3.1 Problem statement**

- Does the RMA framework provide sufficient clarity and direction on how highly productive land should be managed? Why/why not?
- Does the RMA framework provide sufficient clarity on how highly productive land should be considered alongside competing uses? Why/why not?
- How are values and wider benefits of highly productive land being considered in planning and consenting processes?

**3.2 Urban expansion on to highly productive land**

- How is highly productive land currently considered when providing urban expansion? Can you provide examples?
- How should highly productive land be considered when planning for future urban expansion?

**3.3 Fragmentation of highly productive land**

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

**3.4 Reverse sensitivity**

- How should the tensions between primary production activities and potentially incompatible activities best be managed?
- How can reverse sensitivity issues at the rural-urban interface best be managed?

**3.5 These issues are being seen throughout New Zealand**

- Do you agree that there is a problem? Has it been accurately reflected in this document?
- Are you aware of other problems facing highly productive land?

**4.5 Preferred option – a National Policy Statement**

- Which option do you think would be the most effective to address the problems identified in Chapter Three? Why?
- Are there other pros and cons of a National Policy Statement that should be considered?
- Are there other options not identified in this chapter that could be more effective?

**5.2 Purpose of the proposed National Policy Statement**

- Should the focus of the National Policy Statement be on versatile soils or highly productive land more broadly? Why/why not?
- Should the focus of the National Policy Statement be on primary production generally or on certain types of food production activities? Why/why not?

**5.3 The scope of the proposal**

- Do you support the scope of the proposal to focus on land use planning issues affecting highly productive land? Why/why not?
- What matters, if any, should be added to or excluded from the scope of the National Policy Statement? Why?
- Should future urban zones and future urban areas be excluded from the scope of the National Policy Statement? What are the potential benefits and costs?
- Should the National Policy Statement apply nationally or target areas where the pressures on highly productive land are greater?

**5.4 The proposed NPS**

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

**Policy 1: Identification of highly productive land**

- If highly productive land is to be identified, how should this be done and by whom?
- Are the proposed criteria all relevant and important considerations for identifying highly productive land? Why/why not?

**Alignment with the Urban Growth Agenda**

- Do you think there are potential areas of tension or confusion between this proposed National Policy Statement and other national direction (either proposed or existing)?
- How can the proposed National Policy Statement for Highly Productive Land and the proposed National Policy Statement on Urban Development best work alongside each other to achieve housing objectives and better management of the highly productive land resource?

**Policy 3: New urban development on highly productive land**

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

**Policy 4: Rural subdivision and fragmentation**

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

**Policy 5: Reverse sensitivity**

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

**Policies 6 and 7: Consideration of private plan changes and resource consent applications on highly productive land**

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

**5.6 Implementation**

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

## Specific/technical questions

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

**5.3 The scope of the proposal**

- How should the National Policy Statement best influence plan preparation and decision-making on resource consents and private plan changes?
- Should the National Policy Statement include policies that must be inserted into policy statements and plans without going through the Schedule 1 process? What are the potential benefits and risks?
- What areas of land, if any, should be excluded from the scope of the proposed National Policy Statement? Why?

**5.4 The proposed NPS**

- What level of direction versus flexibility should the objectives provide to maintain the availability of highly productive land for primary production?
- Should the objectives provide more or less guidance on what is "inappropriate subdivision, use and development" on highly productive land? Why/why not?

**Specific questions - Policy 1**

- What are the pros and cons of requiring highly productive land to be spatially identified?
- Is the identification of highly productive land best done at the regional or district level? Why?
- What are the likely costs and effort involved in identifying highly productive land in your region?
- What guidance and technical assistance do you think will be beneficial to help councils identify highly productive land?

**Specific questions - Appendix A**

- Should there be a default definition of highly productive land based on the LUC until councils identify this? Why/why not?
- What are the key considerations to consider when identifying highly productive land? What factors should be mandatory or optional to consider?
- What are the benefits and risks associated with allowing councils to consider the current and future availability of water when identifying highly productive land? How should this be aligned with Essential Freshwater Programme?
- Should there be a tiered approach to identify and protect highly productive land based on the LUC class (e.g. higher levels of protection to LUC 1 and 2 land compared to LUC 3 land)? Why/why not?

**Specific questions – Policy 2**

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

**Specific questions – Policy 3**

- How can this policy best encourage proactive and transparent consideration of highly productive land when identifying areas for new urban development and growth?
- How can the proposed National Policy Statement for Highly Productive Land best align and complement the requirements of the proposed National Policy Statement on Urban Development?

**Specific questions – Policy 4**

- Should the National Policy Statement provide greater direction on how to manage subdivision on highly productive land (e.g. setting minimum

lot size standards for subdivisions)? If so, how can this best be done?

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

**Specific questions – Policy 5**

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

**Specific questions – Policy 6 and Policy 7**

- Should these policies be directly inserted into plans without going through the Schedule 1 process (i.e. as a transitional policy until each council gives effect to the National Policy Statement)? What are the potential benefits and risks?
- How can these policies best assist decision-makers consider trade-offs, benefits, costs and alternatives when urban development and subdivision is proposed on highly productive land?
- Should the policies extend beyond rural lifestyle subdivision and urban development to large scale rural industries operations on highly productive land? Why/why not?

**Specific questions - Interpretation**

- Do any of the draft definitions in the National Policy Statement need further clarification? If so, how?
- Are there other key terms in the National Policy Statement that should be defined and, if so, how?
- Should there be minimum threshold for highly productive land (i.e. as a percentage of site or minimum hectares)? Why/why not?

**Specific questions - Implementation**

- Do you think a planning standard is needed to support the consistent implementation of some proposals in this document?
- If yes, what specific provisions do you consider are effectively delivered via a planning standard tool?

**Specific questions - Timeframes**

- What is the most appropriate and workable approach for highly productive land to be identified by council? Should this be sequenced as proposed?
- What is an appropriate and workable timeframe to allow councils to identify highly productive land and amend their policy statements and plans to identify that land?

# 7 References


Andrew R and Dymond JR. (2013). Expansion of lifestyle blocks and urban areas onto high-class land: An update for planning and policy. *Journal of the Royal Society of New Zealand*, 43(3), 128–140.

Churchman G, and Landa E. (editors) (2014). *The soil underfoot: infinite possibilities for a finite resource*. Taylor and Francis Group.

Deloitte (2018). *New Zealand's Food Story: The Pukekohe Hub* – Prepared for Horticulture New Zealand, August 2018.

European Union (2012). *Guidelines on best practice to limit, mitigate or compensate.* Available online at: **http://ec.europa.eu/environment/soil/pdf/guidelines/pub/soil_en.pdf**

Curran-Cournane F, Golubiewski N, Buckthought L. (2018). The odds appear stacked against versatile land: can we change them? *New Zealand Journal of Agricultural Research*, DOI: 10.1080/00288233.2018.1430590

Curran-Cournane F, Cain T, Greenhalgh S, Samarasinghe O. (2016). Attitudes of a farming community towards urban growth and rural fragmentation – an Auckland case study. *Land Use Policy.* 58:241–250

Lillis et al. (2005) *Smallholdings in New Zealand.* New Zealand Agricultural and Resource Economics Society (Inc.). Paper presented at the 2005 NZARES Conference.

Ministry for the Environment (2010). *Proposed National Environmental Standard for Plantation Forestry: Discussion Document.* Wellington, Ministry for the Environment.

Ministry for the Environment (2015). *An everyday guide to the RMA: Getting in on the Act*. Publication reference: ME 1178.

Ministry for the Environment and Statistics New Zealand (2018). *New Zealand's Environmental Reporting Series: Our land 2018.* Retrieved from **www.mfe.govt.nz** and **www.stats.govt.nz**

Ministry for the Environment (2019). **http://www.mfe.govt.nz/rma/rma-legislative-tools**

Ministry of Works (1974). *Land Use Capability Survey Handbook: A New Zealand handbook for the classification of land.* Water and Soil Division, Ministry of Works, Wellington, New Zealand.

Mu Q, Zhao M, Heinsch FA, Liu M, Tian H, and Running SW. (2007). Evaluating water stress controls on primary production in biogeochemical and remote sensing based models, *J. Geophys. Res.*, 112, G01012, DOI:10.1029/2006JG000179

National Agricultural Law Centre, USA (2019). *States' Right-To-Farm Statutes.* Information retrieved from: **https://nationalaglawcenter.org/state-compilations/right-to-farm**

Sheridan J, Larsen K, Carey R. (2015). *Melbourne's foodbowl: now and at seven million.* Victorian Eco-Innovation Lab, The University of Melbourne.


## Case law


*Canterbury Regional Council v Selwyn District Council* [1996] W142/96 2 ELRNZ 395

*Jay Gock and Fay Gock v Auckland Council* [2019] NZHC 276

*Winstone Aggregates v Matamata-Piako DC* [2005] 11 ELRNZ

# 8 Appendices

## 8.1 Appendix A

### Table 4: Assesssment of options

| Option | Effectiveness to address problem | Level of direction | Flexibility | Complexity and costs (to develop and implement) | Timeliness (to develop and implement) |
|---|---|---|---|---|---|
| **Status quo** | This option would not be effective to address the identified problems. Practice would continue to be variable throughout the country. | There would continue to be a lack of clarity and national direction on how highly productive land should be managed. No clear guidance on how highly productive land should be considered alongside other matters of national importance. | High level of flexibility for councils to manage highly productive land within their region/ district. | N/A – no additional costs to develop or implement the option. | N/A – no time required to develop or implement the option. |
| **Option 1: NPS** | Could provide clear direction that highly productive land is a nationally significant, finite resource and should be considered as such within the RMA planning framework.<br>Could provide clear direction and support to councils to address the key land-use planning issues affecting soils. | Can provide clear direction on how highly productive should be considered under the RMA and balanced with other matters.<br>Risk that policy direction does not have desired effect when councils give effect to NPS.<br>The level of direction will be determined by the wording and prescriptive objective and policies leave little room for interpretation. | Allows some flexibility for councils to respond to local pressures and priorities when giving effect to the objectives and policies in the NPS.<br>Provides some discretion to councils to determine the most appropriate use of land based on a clear and transparent consideration of benefits, costs and risk. | Relatively efficient for central government to develop NPS focused on land use planning issues affecting highly productive land.<br>Costs for councils to identify highly productive land and give effect to the NPS through their policy statements and plans. This would be mitigated through transitional provisions to allow councils some time to give effect to NPS, and guidance and support from central government | Relatively efficient for central government to develop NPS focused on land-use planning issues affecting highly productive land.<br>It will take a number of years before councils make changes to their plan and policy statements to give effect to the NPS. This risk would be mitigated through policies that take effect at gazettal and by including a default definition of highly productive land.<br>Takes longer to effect change on the ground (mitigated to a certain extent by the points above). |

| Option | Effectiveness to address problem | Level of direction | Flexibility | Complexity and costs (to develop and implement) | Timeliness (to develop and implement) |
|---|---|---|---|---|---|
| **Option 2: NES** | Could be effective to address some aspects of the problem.<br>NES cannot include objectives and policies so limited ability to provide direction on the actual outcomes sought. | Could provide a high level of certainty and national consistency in how highly productive land is managed at the rule level.<br>NES cannot include objectives and policies so limited ability to provide direction on the actual outcomes sought. | Provides limited flexibility for councils to respond to different pressures and priorities<br>Less opportunity for councils to determine the most appropriate use of land.<br>Impacts on landowners would be higher with less opportunity to challenge the rules that apply to their site (compared to an NPS which must be given effect to at the local level). | Complex and costly to develop to ensure it is appropriate in all locations it applied to and did not have unintended consequences<br>Costs for councils to align their plans with NES and implement the NES (consenting and monitoring). | Would be time-consuming for central government to develop a NES to ensure it is fit-for-purpose and does not result in perverse outcomes.<br>Can have immediate effect once gazetted. |
| **Option 3: Amend NPS-UDC** | Could be effective to address urban expansion onto highly productive land.<br>Limited ability to address fragmentation and reverse sensitivity.<br>Would only apply in 'Major Urban Areas' so would not consistently address the identified problems. | Could be effective to provide direction on how highly productive land should be considered when identifying new urban areas.<br>Limited ability to provide clear direction on how highly productive land should be managed as the focus of the NPS is urban development. | Allows for some flexibility for councils to respond to local pressures and priorities when giving effect to the objectives and policies in the NPS.<br>Provides some discretion to councils to determine the most appropriate use of land based on a clear and transparent consideration of benefits, costs and risk. | Would be a relatively discrete amendment to the NPS.<br>Utilises an existing national instrument which reduces costs to both develop (central government) and implement (councils). | Relatively efficient for central government to incorporate option into the proposed NPS-UD.<br>Implementation timeframes for councils would be determined by proposed NPS-UD. |

**Criteria:**

**Effectiveness** – to address inadequate consideration of highly productive land.
**Level of direction** – the ability to direct actions and outcomes, increasing certainty and consistency in implementation (by councils).
**Flexibility** – to allow councils to respond to local priorities, pressures and community expectations and balance other national priorities.
**Complexity and costs** – the complexity, cost and effort to develop (central government) and implement (councils) the option.
**Timeliness** – able to be developed and implemented in an appropriate timeframe (allow for implementation of the desired outcome in the shortest timeframe).

**Table key:**

| | |
|---|---|
| | High rating against assessment criteria |
| | Medium rating against assessment criteria |
| | Low rating against assessment criteria |

## 8.2 Appendix B: Cost benefit assessment of six councils

To inform policy development, the Ministry for Primary Industries commissioned an indicative cost benefit assessment (CBA) on the proposed National Policy Statement for Highly Productive Land.

The indicative CBA examines six councils' spread across New Zealand. The six case studies span both high and low growth urban and rural environments, differing primary sector roles within the local economy, different mixes of primary production activities, and differing extents of Land Use Capability[38] (LUC) Class 1, 2 and 3 land relative to total land area of the district.

The spatial analysis of each case study area examines the incidence of both social and economic activities in each district relative to land with a LUC Class 1-3 rating. The assessment looks at the relative significance of different activities and land uses in the rural environment compared to the urban environment, and the relative significance of activities located on LUC class 1-3 land. It also considers current patterns of rural lifestyle development.

The assessment of cost and benefits of the proposed NPS is indicative at this stage. As with any CBA of national direction prepared under the Resource Management Act 1991, a number of assumptions needed to be made about how the policies might be approached by councils. Modelling future patterns of growth under different regulatory settings also required some broad assumptions to be made in the indicative CBA.

The spatial analysis in the CBA is based on modelling of projected rural lifestyle subdivision on highly productive land[39] without and with the proposed NPS. This has enabled a significant long-term economic benefit (avoided loss of primary production gross output) to be estimated. The location of future subdivision relative to highly productive land resource highlights the scale and significance of subdivision activity that could be deterred or redirected to less productive land under the proposed NPS.

It is important to note that the indicative CBA has limitations in that it was not able to quantify and monetise a number of costs and benefits. These limitations are discussed in more detail in section 5.8. This section focused on the results of the spatial and quantitative analysis in the indicative CBA for the six case studies.

### Key findings of the indicative cost benefit assessment

The results from the six case studies showed that all of the council areas had significant potential for further subdivision on highly productive land and all had significant potential for further subdivision on land that is not highly productive.

While the assessment suggests all case studies had significant capacity to further subdivide both highly productive and non-highly productive land, three of the council areas demonstrated sufficient capacity to redirect anticipated lifestyle property growth to 2048 away (totally, or largely) from highly productive land. However, in three of the council areas, the proposed NPS has the potential to constrain expected lifestyle demand growth by removing all or a portion of subdivision capacity on highly productive land. Of these, two would have potentially experienced a long-term shortfall of capacity to meet demand growth under the status quo, so the proposed NPS is either having a marginal effect or is potentially introducing a constraint that would not have been expected in the next 30 years.

The assessment assumes that councils will maintain current minimum lot sizes and will not make changes to enable lifestyle development on land that is not highly productive (to provide additional capacity and help redirect growth). Given that this is a key objective of the proposed NPS, the potential constraint on lifestyle property growth may well be remedied or mitigated as part of the plan change to implement the proposed NPS (or at a later stage when needed). On that basis, the assessment concludes that limited weight should be given to the potential outcome of constrained growth under the proposed NPS.

Overall, the modelling indicates that redirecting subdivision for lifestyle property demand to non-highly productive land under the proposed NPS is feasible in most cases or only has a marginal

38 The Land-Use Capability (LUC) classification system ranks land from Class 1 to Class 8, with Class 1 being the most suitable for a range of primary production. LUC class will be one of the key factors councils use to define highly productive land. Further information about the LUC classification system is available under section 2.3.

39 For the purposes of the modelling, highly productive land was defined as LUC 1-3 land consistent with the default definition in the NPS-HPL.

adverse effect over and above the status quo where shortfalls are anticipated in the long term (although it is anticipated that councils will respond by providing additional capacity where needed to remedy or mitigate such effects).The CBA notes that avoided loss of primary production output under the proposed NPS (whether from redirecting urban expansion or rural lifestyle development) is a year on year benefit that accumulates over time so these benefits are expected to be significant.

## How the future scenarios (2048) were modelled

The future scenarios displayed in Table 5 and Maps 1-12 below are based on the projected increase in lifestyle parcels, as avoiding fragmentation of highly productive land from rural lifestyle subdivision is a key focus of the proposed NPS.

The "without NPS-HPL" scenario is based on continuation of current subdivision patterns, where the creation of lifestyle parcels is driven by existing rules for subdivision (minimum lot sizes).

The 'with NPS-HPL' scenario shows how demand could be re-directed to other parcels which do not contain highly productive land. This indicative CBA uses 'low-medium' and 'high' regulatory approach scenarios under the proposed NPS. The 'high' regulatory approach deflects all subdivision of lifestyle demand to other parts of the rural area that are not identified as highly productive land. It is important to note that the proposed NPS is not intended to prohibit or completely avoid the subdivision of such land. Rather, the intent is to require councils to consider subdivision of other land when this is a practical alternative. Councils may exclude some LUC Class 1, 2 or 3 land when identifying highly productive land. Equally, councils may identify highly productive land that does not have an LUC Class 1, 2 or 3 rating.

The full indicative cost benefit assessment is available at **www.mpi.govt.nz/HighlyProductiveLand**

A summary of each case study is outlined below.

## Table 5: Key findings from the indicative cost-benefit assessment of six councils

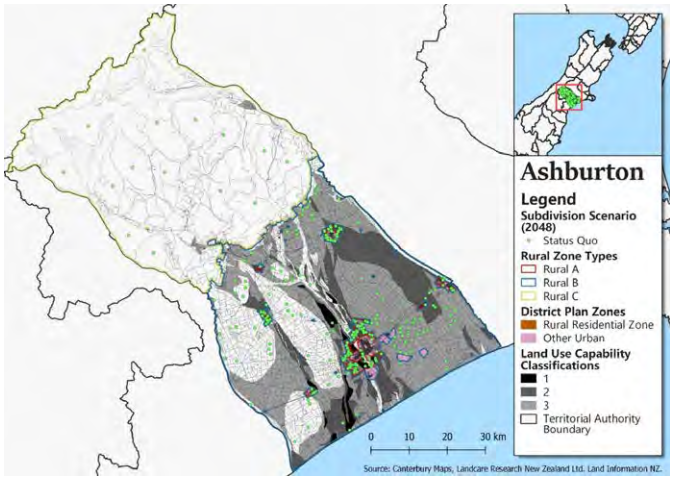
| Local authority | LUC class 1, 2 and 3 (area and proportion of district) | Households (current estimate) | Household growth to 2048 (medium) (estimate and percent increase) | Current rural-lifestyle subdivision on LUC class 1, 2 and 3 (number of parcels and area) | **Without NPS-HPL:** *Rural-lifestyle subdivision growth to 2048 on LUC class 1, 2 and 3* (medium) (number of parcels and area) | **With NPS-HPL:** *Rural lifestyle subdivision growth to 2048 on LUC class 1, 2 and 3* (number of parcels and area, Low-Medium and High Regulatory Response Scenarios) | **Without NPS-HPL:** Loss of primary production output to 2048 *Estimated output* ($million, undiscounted) | **With NPS-HPL:** Loss of primary production output to 2048 *Estimated output* ($million, undiscounted, Low-Medium and High Regulatory Response Scenarios) | **Primary production output to 2048** *Estimated output with NPS-HPL minus estimated output without NPS-HPL* ($million, undiscounted, Low-Medium and High Regulatory Response Scenarios) |
|---|---|---|---|---|---|---|---|---|---|
| **Ashburton District** | 227,934ha<br>37% | 14,100 | 4,200<br>30% | 1,225<br>6,813ha | 343<br>5,690ha | Low to medium:216<br>5,034ha<br>High:<br>2<br>17ha | –$291.0 | Low to medium:<br>–$265.2<br>High:<br>–$124.3 | Low to medium:<br>$26<br>High:<br>$167 |
| **Auckland** | 123,717ha<br>25% | 558,700 | 298,600<br>53% | 12,728<br>35,780ha | 2,390<br>6,340ha | Low to medium: 2,371<br>5,517ha<br>High:<br>2,323<br>3,896ha | –$275.0 | Low to medium:<br>–$184.8<br>High:<br>–$80.4 | Low to medium:<br>$90<br>High:<br>$195 |
| **Horowhenua District** | 43,765ha<br>41% | 13,700 | 1,500*<br>11%* | 2,059<br>6,575ha | 106<br>66ha | Low to medium:94<br>70ha<br>High:<br>5<br>3ha | –$4.8 | Low to medium:<br>–$5.1<br>High:<br>–$3.1 | Low to medium:<br>-$0.3<br>High:<br>$1.7 |
| **Selwyn District** | 140,560ha<br>21% | 20,100 | 16,800<br>84% | 4,596<br>19,434ha | 1,260<br>7,640ha | Low to medium: 951<br>7,730ha<br>High:<br>10<br>80ha | –$405 | Low to medium:<br>–$381<br>High:<br>–$371 | Low to medium:<br>$24<br>High:<br>$34 |
| **Waipa District** | 77,560ha<br>53% | 20,300 | 5,900<br>29% | 3,830<br>6,851ha | 233<br>9,281ha | Low to medium:117<br>4,707ha<br>High:<br>0<br>25ha | –$1,446 | Low to medium:<br>–$1,291<br>High:<br>–$757 | Low to medium:<br>$203<br>High:<br>$775 |
| **Western Bay of Plenty District** | 44,260ha<br>23% | 19,000 | 3,500<br>18% | 4,230<br>7,716ha | 246<br>836ha | Low to medium: 203<br>468ha<br>High:<br>145<br>83ha | –$38.4 | Low to medium:<br>–$29.5<br>High:<br>–$27.7 | Low to medium:<br>$8.8<br>High:<br>$10.7 |

* The figures for Horowhenua District are based on Stats NZ's high growth projection for the District. As Stats NZ's medium growth projection for Horowhenua is for a decline in total household growth, the high growth figures were used to show the potential impact of the NPS-HPL. It should be noted that Horowhenua District Council commissioned a report in 2017 on the long-term population and economic projections for the District. That report projected growth to be markedly higher than Stats NZ's growth projections for Horowhenua, and underpins Horowhenua District Council's growth strategy, which is available at: **https://www.horowhenua.govt.nz/Council/Plans-Strategies/Horowhenua-Growth-Strategy-2040**

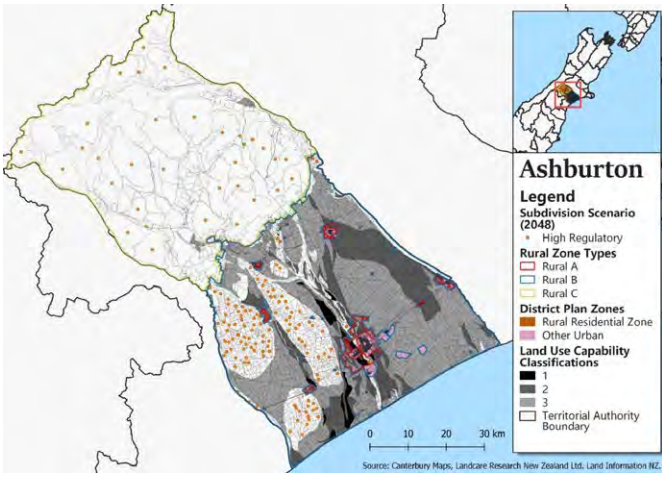
## Case study: Ashburton District

Map 1 below shows that there is significant potential for land with an LUC Class of 1, 2 or 3 to be subdivided in Ashburton District. Equally, there are large areas where subdivision can occur that do not contain land with an LUC Class of 1, 2 or 3. Map 2 further below shows how subdivision could be redirected away from highly productive land with the NPS-HPL used under the high regulatory modelling scenario.

Map 1: Indicative long-term lifestyle subdivision in Ashburton District, without NPS-HPL scenario (2048)



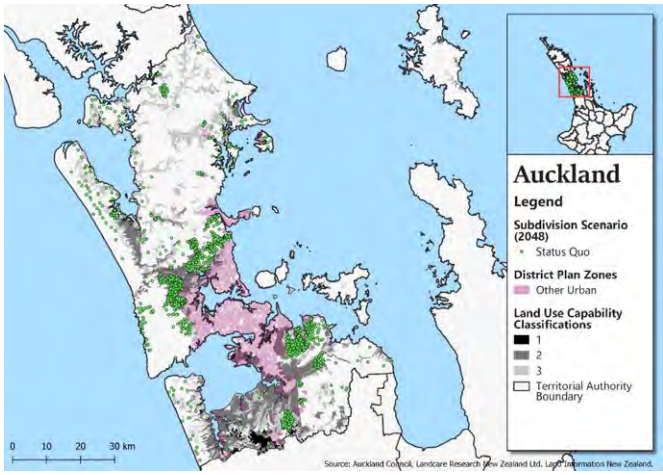

Map 2: Indicative modelled long-term lifestyle subdivision in Ashburton District, with NPS-HPL scenario (2048)



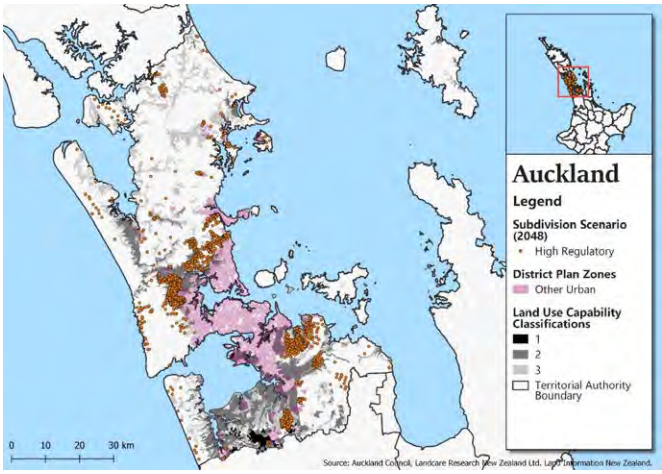

## Case study: Auckland

Map 3 below shows that there is significant potential for further land fragmentation in areas with LUC Class 1, 2 or 3 land. It also shows that there are some areas where subdivision can occur that do not contain LUC Class 1, 2 or 3 land. Map 4 further below shows how subdivision could be redirected away from highly productive land with the NPS-HPL used under the high regulatory modelling scenario.

Map 3: Indicative long-term lifestyle subdivision in Auckland Region, without NPS-HPL scenario (2048)



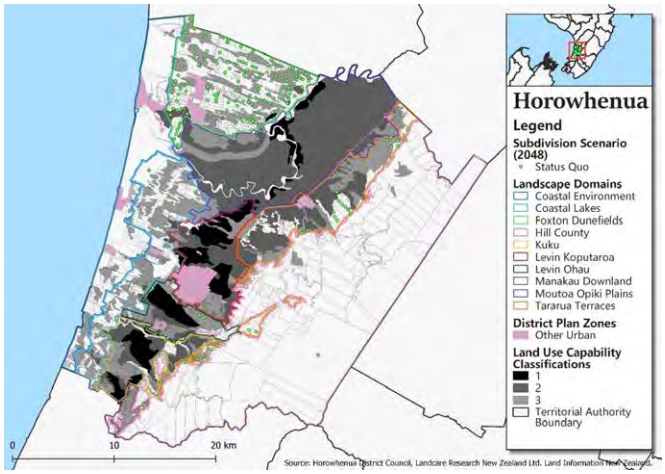

Map 4: Indicative long-term lifestyle subdivision in Auckland Region, with NPS-HPL scenario (2048)



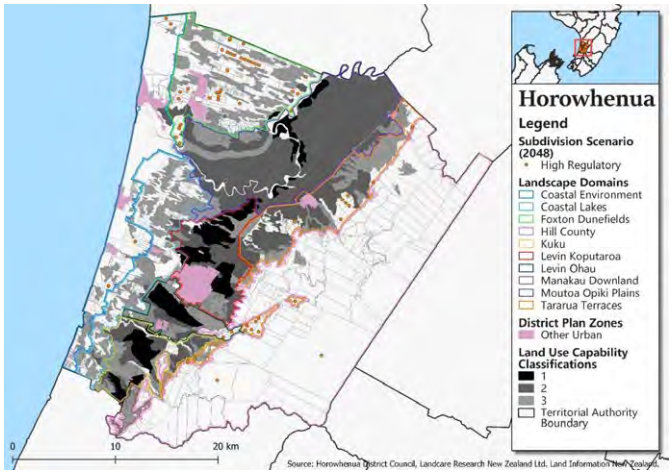
## Case study: Horowhenua District

Map 5 below shows that over four-fifths of land parcels able to subdivide contain LUC Class 1, 2 or 3 land, however, the proportion of the land with an LUC 1, 2 or 3 rating varies greatly. There are also some areas where subdivision can occur that do not contain LUC Class 1, 2 or 3 land. Map 6 further below shows how subdivision could be redirected away from highly productive land with the NPS-HPL used under the high regulatory modelling scenario.

Map 5: Indicative long-term lifestyle subdivision in Horowhenua, without NPS-HPL scenario (2048)



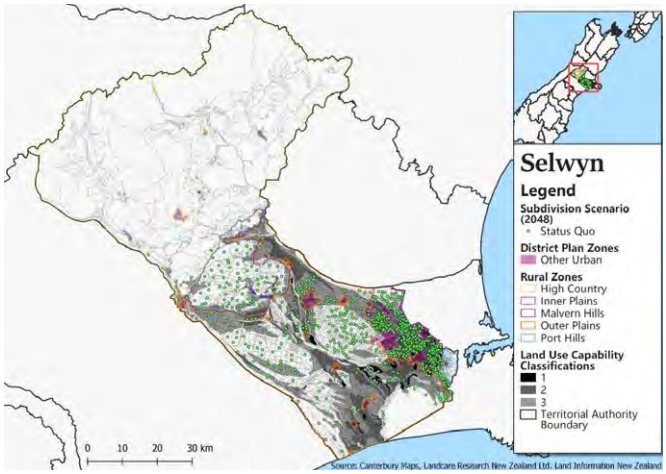

Map 6: Indicative long-term lifestyle subdivision in Horowhenua, with NPS-HPL scenario (2048)



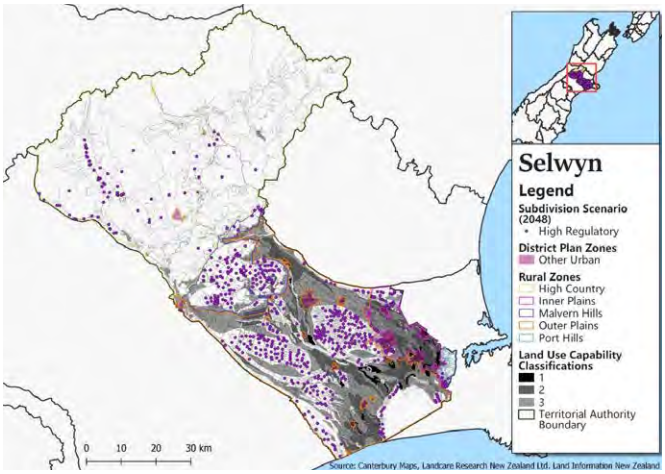

## Case study: Selwyn District

Map 7 below shows that there is significant potential for further subdivision in areas with significant LUC Class 1, 2 or 3 land, and that there are fewer areas where subdivision can occur that do not contain LUC Class 1, 2 or 3 land. Map 8 further below shows how subdivision could be redirected away from highly productive land with the NPS-HPL used under the high regulatory modelling scenario.

Map 7: Indicative long-term lifestyle subdivision in Selwyn, without NPS-HPL scenario (2048)



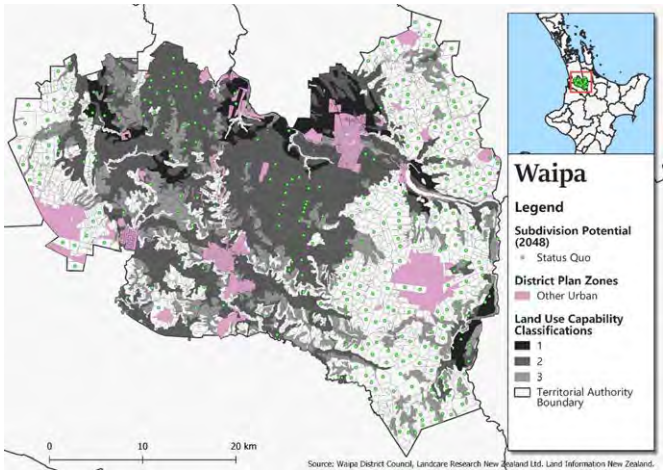

Map 8: Indicative long-term lifestyle subdivision in Selwyn, with NPS-HPL scenario (2048)



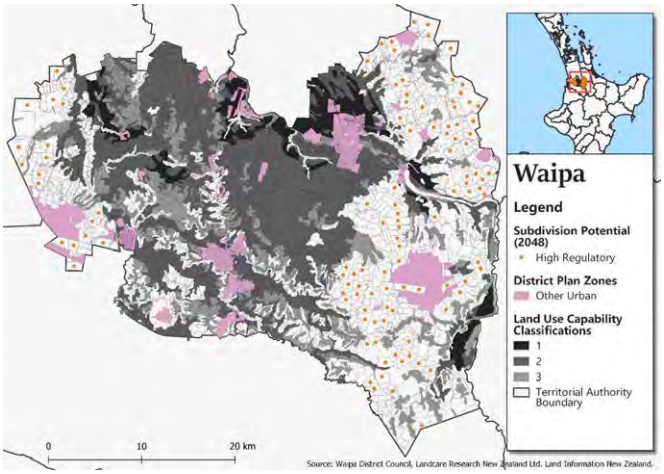
## Case study: Waipa District

Map 9 below shows that there is limited potential for further subdivision in the rural zone, including in areas with significant LUC Class 1, 2 or 3 land. Map 10 further below shows how subdivision could be redirected away from highly productive land with the NPS-HPL used under the high regulatory modelling scenario.

Map 9: Indicative long-term lifestyle subdivision in Waipa, without NPS-HPL scenario (2048)



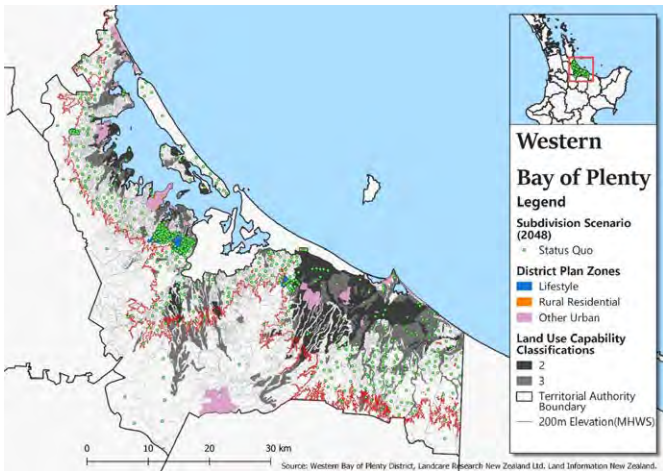

Map 10: Indicative long-term lifestyle subdivision in Waipa, with NPS-HPL scenario (2048)



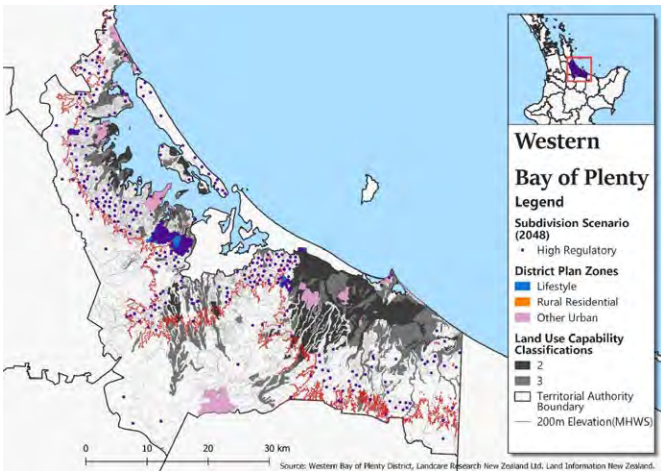

## Case study: Western Bay of Plenty District

Map 11 below shows that there is significant potential for further fragmentation of land with an LUC Class of 1, 2 or 3. Equally, it also shows that there are areas where subdivision can occur that do not contain this land. Map 12 further below shows how subdivision could be redirected away from highly productive land with the NPS-HPL used under the high regulatory modelling scenario.

Map 11: Indicative long-term lifestyle subdivision in Western Bay of Plenty, without NPS-HPLscenario (2048)

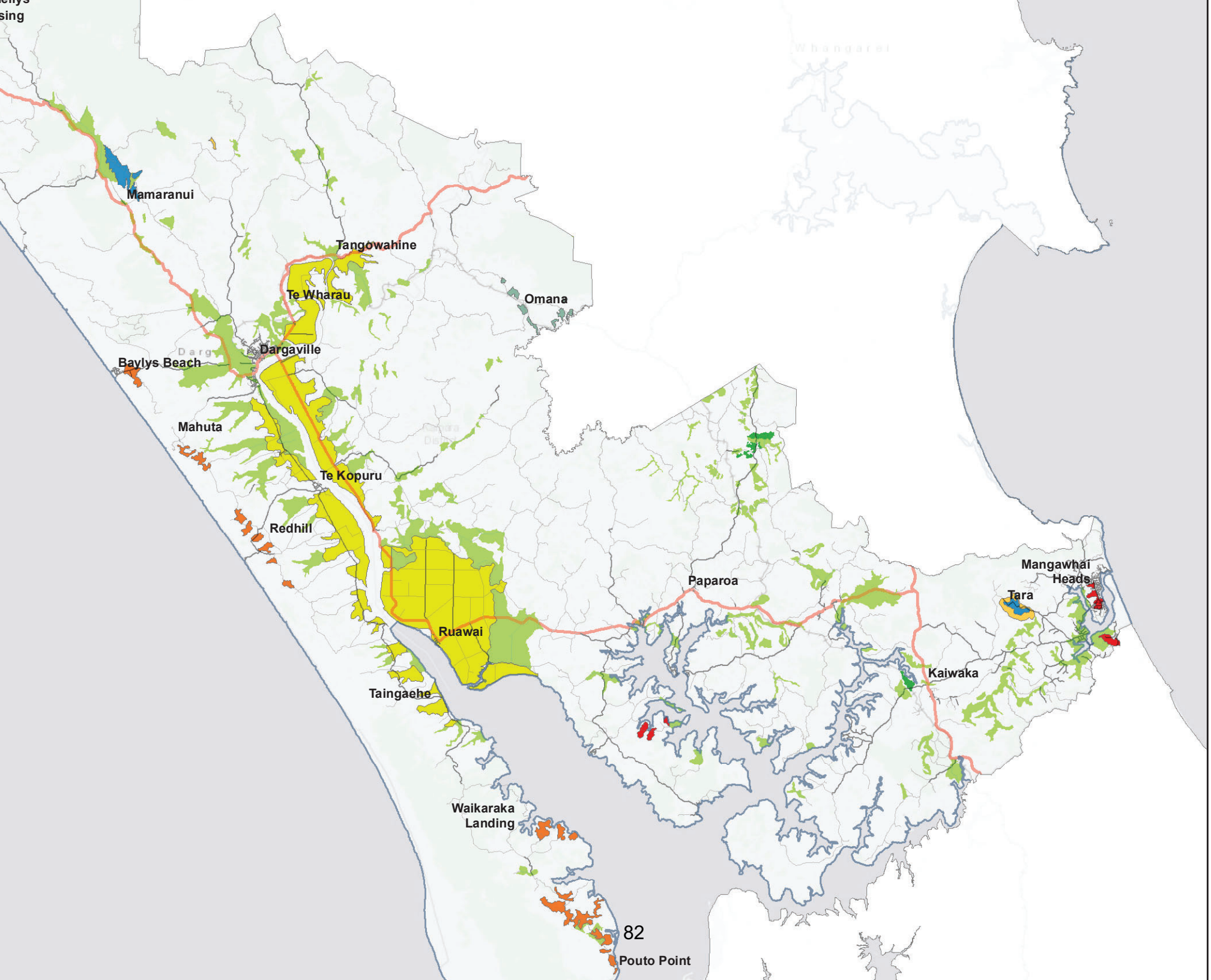



Map 12: Indicative long-term lifestyle subdivision in Western Bay of Plenty, with NPS-HPLscenario (2048)



Ministry for Primary Industries
Manatū Ahu Matua

Ministry for the
Environment
Manatū Mō Te Taiao


Mamaranui
Tangowahine
Te Wharau
Omana
Dargaville
Baylys Beach
Mahuta
Te Kopuru
Redhill
Paparoa
Mangawhai Heads
Tara
Ruawai
Kaiwaka
Taingaehe
Waikaraka Landing
82
Pouto Point
NZ
Hi
NZLRI
reprodu
Limited
Highly
Statem
Roads
Zealan
Comm
The inf

KAIPARA DISTRICT
Kaipara te Oranganui • Two Oceans Two Harbours

# Spatial Planning for Kaipara District

**Meeting:** Kaipara District Council Briefing
**Date of meeting:** 05 September 2019
**Reporting officer:** Kathie Fletcher, Policy Manager

## Purpose/Ngā whāinga

To update Council on the planned engagement programme during elections and obtain direction from elected members regarding a delegation of powers to the Chief Executive before formulating urban development options in the Draft Spatial Plans for Kaipara.

## Context/Horopaki

AR Associates Ltd (ARAL) and Campbell Brown have been appointed to undertake the spatial planning for key urban areas in Kaipara.

## Discussion/Ngā kōrerorero

In addition to the requirements of the National Policy Statement on Urban Development Capacity 2016 and the Regional Policy Statement for Northland, the Operative Kaipara District Plan 2013 in Chapter 3: Land Use and Development Strategy, requires that Structure Planning shall be undertaken for key urban areas in the Kaipara District.

Council has not been developing the spatial plans itself. A decision was therefore made to appoint consultants to assist in the development of spatial plans for Kaipara.

Elected members have given an early opportunity to become familiar with the projects and will continue to be kept informed of progress. It is expected that interim reports will be provided to elected members as well as opportunities to participate in community engagement events.

Once each consultancy has completed community engagement events in August and September, options for development will be drafted, tested and evaluated.

The option development, testing and evaluation part of the process involves utilising information and insights gathered through previous phases of engagement and generating development options for each of the urban centres. These options will be tested with the project control groups, project partners, stakeholders and the wider community to inform a preferred option.

Direction is sought from elected members whether a delegation of powers to the Chief Executive would be acceptable to approve these options to be developed, communicated, tested and evaluated during the election period. This would be reported to the September council meeting for formal delegation, if it is supported.

It is intended that draft option papers will be available in November/December, which will allow the new Council to re-engage in an official capacity and once again be part of the spatial planning process.

## Next steps/E whaiake nei

Complete first (Mangawhai) and second round (Dargaville, Kaiwaka, Maungaturoto, Paparoa) of engagement events with staff, Mana Whenua, Youth, community groups, stakeholders and the wider public.

Report to September council meeting for delegation to the Chief Executive, if supported.

Options development, testing and evaluation.

Draft Options Papers to be drafted.

Kathie Fletcher, 5 September 2019

# Speed Limit Reviews

**Meeting:** Kaipara District Council Briefing
**Date of meeting:** 01 August 2019
**Reporting officer:** Shawn Baker – Project Manager. Speed Limits (Northland Transportation Alliance)

## Purpose/Ngā whāinga

To update Council on the Regionwide Speed Limit Review Project and provide a timeline for the first tranche of speed limit reviews in Kaipara District.

## Context/Horopaki

Northland Transportation Alliance (NTA) is leading a project to review speed limits on local roads throughout Northland, including Kaipara District. This project is part of a nationwide speed management review programme being undertaken by all road controlling authorities.

In November 2018, Kaipara District undertook the first speed limit review as part of this project. At the same time, Council updated the introductory sections of the Speed Limits Bylaw to ensure consistency across Northland, and with new legislation. This initial work is now being used as a template for ongoing speed reviews throughout Northland.

The speed reviews have the principle aim of improving road safety, reducing serious injury and fatalities and ensuring speed limits that are consistent and credible across the region.

## Discussion/Ngā kōrerorero

Guidance from NZ Transport Agency (NZTA) recognises that reviewing speed limits across any one district is a significant task. The expectation is therefore that the reviews will be undertaken progressively over time, with approximately 5% of the district roading network being reviewed in any one year.

To avoid ad-hoc changes to speed limits and ensure that there is consistency in speed limits across Northland and each district, an overall methodology has been developed to identify and prioritise areas for speed limit reviews.

The methodology is set out in the report "Regional Speed Review Guide", **Attachment A**. The process is evidence based, but also considers community and stakeholder feedback. The following overarching principles apply to programming speed reviews:

- The overall programme must promote consistency of speed limits across the region
- Speed management review selection and prioritisation will be evidence based
- Initial speed reviews will be undertaken in areas where crash risk evidence supports a strong community or stakeholder support for a speed review
- Smaller, self-explaining catchment areas will be reviewed early in the process
- Road catchment areas will be reviewed in preference to individual roads.

### Initial Review Areas

Appendix 1 of the attached Regional Speed Review Guide sets out the initial priority review areas. The first of the priority areas to be reviewed is Molesworth Drive and Mangawhai Urban Traffic Area. This first area has been selected as it is the subject of significant and ongoing subdivision development.

KAIPARA DISTRICT

It is anticipated that the community consultation phase of the Molesworth Drive / Mangawhai Urban traffic Area review will commence following the first meeting of the new Council in November 2019.

The following areas will be reviewed in early 2020:

- Insley / Tomarata Road
- Kaiwaka-Mangawhai Road
- Cove Road.

These areas have been selected for one or more of the following reasons, utilising the prioritisation methodology set out in the Regional Speed Review Guide (Attachment A):

- One or more roads within the catchment area has been identified as high priority in response to the crash risk data
- One or more roads within the catchment area have been identified as high priority by the community and/or key stakeholders
- New or ongoing development has had a significant impact on the road environment and warrants speed review
- There is a significant disconnect between the current speed limit and a safe and appropriate speed.

A reduction of speed limits is the anticipated outcome in response to these first tranche high priority speed review areas.

## Next steps/E whaiake nei

The setting of new speed limits requires an amendment to the Speed Limits Bylaw. To comply with Section 22AD of the Land Transport Act 1998; the Setting of Speed Limits Rule 2017; and the Local Government Act 2002; it is recommended that Council undertakes community engagement is accordance with the Special Consultative Procedures set out in Section 83 of the Local Government Act 2002.

A Statement of Proposal, setting out any proposed changes to speed limits in the first review area (Molesworth Drive / Mangawhai) will be presented to Council for approval at its first meeting following the Local Body triennial elections on 12 October 2019.

The Statement of Proposal will set out the consultation process and timeframes and will seek to seek to undertake consultation as soon as practicable after the 2019 Local Body elections.

## Attachments/Ngā tapiritanga

| | Title |
|---|---|
| A | Regional Speed Review Guide |

Shawn Baker, 15 July 2019

# Report

# Regional Speed Review Guide

Version 4

## Table of Contents

Table of Contents 2
1 Document Review and Update 3
2 Background 4
3 Legislation and Guidance 4
3.1 Land Transport Act 1998 4
3.2 Setting of Speed Limits Rule 2017 5
3.3 Local Government Act 2002 (LGA) 5
3.4 Speed Management Guidance 2016 5
3.5 Bylaws 5
4 Programme 6
5 Setting Priorities 7
5.1 Overall Methodology 7
5.2 Crash risk data 8
5.3 Council and road engineer data 9
5.4 Stakeholder feedback 10
5.5 Community feedback 10
5.6 Programming principles 10
6 Matters to be considered 11
7 Consultation requirements 12
7.1 Local Government Act requirements 12
7.2 Setting of Speed Limits Rule Requirements 12
7.3 Giving effect to consultation requirements 12
Appendix 1 - Priority Road Catchments 15
Appendix 2 – Key Stakeholder Group 19
Appendix 3 – Glossary 20

# 1 Document Review and Update

| Date | Updated By | Update Summary | Version Number |
|---|---|---|---|
| 17/09/18 | S. Baker | Initial Drafting | 1 |
| 18/12/18 | S. Baker | Update following Key Stakeholder Meeting | 2 |
| 24/01/19 | S. Baker | New Format – Amend for Council | 3 |
| 03/05/19 | S. Baker | Update Programme | 4 |

# 2 Background

Northland roading is delivered under the Northern Transport Alliance model. The Alliance consists of the three Road Controlling Authorities (RCA), Northland Regional Council (responsible for the Regional Land Transport Plan) and collaboration with NZTA. The Speed Reviews - Regional Strategy is delivered under the Northern Transport Alliance (NTA).

Speed management is about achieving safe and appropriate speeds that reflect road condition, design, safety and use. There is a need to reduce deaths and serious injuries on the road network; but also, ensure that people and goods can move around the road network efficiently. Whilst these are over-riding priorities, it must also be recognised that individual Road Controlling Authorities, stakeholders and communities also have their own actual or perceived priorities.

The requirement for reviewing speed on local roads arises from the setting of Speed Limits Rule 2017 and the NZTA Speed Management Guidance 2016.

There is an expectation that each Road Controlling Authority will embark on a programme of reviewing speed limits of local roads within each area. It is anticipated that each review programme will address approximately 5% of the roads in each area annually, with a focus on high priority areas where the benefits of a review will be maximized.

All three Road Controlling Authorities (RCA's) agreed that there are benefits in terms of consistency of approach and cost, to embark on a region wide approach to reviewing speed limits in Northland. This approach is consistent with the Northland Transport Alliance (NTA) delivery model and avoids un-necessary duplication of effort in the region.

This Regional Strategy is intended to provide a single source of information and reference document for the regional approach to reviewing speed limits, and includes:

- The background information and compliance requirements
- Regional and District priority setting
- Overall programme of work
- Processes (including consultation processes)
- Templates to ensure regional consistency

This Strategy is intended as a living document and will be updated and amended to reflect the lessons learnt from each speed review.

# 3 Legislation and Guidance

The following provides an overview of the legislation and guidance that drives the Regional Speed Reviews. Reference should be made to www.legislation.govt.nz for detailed legislation.

## 3.1 Land Transport Act 1998

Road Controlling Authorities may set speed limits on any road it has control over for the safety of the public, or the preservation of any road pursuant to Section 22AB(1)(d) of the Land Transport Act 1998.

Section 22AD of the Land Transport Act requires Council to consult with the community in accordance with the requirements of Section 156 of the Local Government Act 2002 when making or amending a Speed Limit Bylaw, including changing speed limits in the Bylaw.

A Bylaw made under the Land Transport Act does not have the five-yearly review requirement of bylaws made under the Local Government Act 2002 and is not subject to the legal determinations (Section 155 LGA 2002) required when making a Bylaw pursuant to the Local Government Act 2002.

## 3.2 Setting of Speed Limits Rule 2017

The purpose of the Setting of Speed Limits Rule 2017 is to give effect to a nationally-consistent and evidence-based approach to speed management and to provide a mechanism for road controlling authorities to set speed limits for roads in their jurisdictions.

The Rule sets out the range of speed limits that may be used, along with the matters that must be considered when setting or reviewing a speed limit, including who must be consulted when setting or changing a speed limit.

## 3.3 Local Government Act 2002 (LGA)

Section 22AD Requires consultation to be undertaken in accordance with Section 156 of the LGA.

Section 156 of the LGA sets out the consultation requirements associated with amending the relevant part of the Bylaw, including the amendment of the Schedules that set the speed limits in the Bylaw.

## 3.4 Speed Management Guidance 2016

Speed Management Guidance 2016 is produced by NZTA and provides the framework for prioritising roads and road catchment areas for review. The Guidance also provides a nationally consistent methodology for identifying safe speeds on a road, in accordance with the One Network Road Classification (ONRC) system.

The Setting of Speed Limits Rule 2017 requires NZTA Speed Management Guidance to be considered when reviewing speed limits.

## 3.5 Bylaws

In Northland, each Council sets speed limits using a Bylaw made under Section 22AB(1)(d) of the Land Transport Act 1998.

The respective Bylaws are:

- Far North District Council Speed Limits Bylaw 2008
- Kaipara District Council Speed Limits Bylaw 2005 (updated October 2018)
- Speed Limits Bylaw 2005 (Whangarei District Council)

Speed Limits and where they apply are set within the Schedules of the Bylaw. Maps are generally included to provide better reference of speed limit boundaries.

Amending a speed limit or introducing a new speed limit requires an amendment of the Bylaw Schedules. Under the new setting of speed Limits Rule 2017, and the tests contained in Section 156 of the LGA, a consultation process must be undertaken before making an amendment to the speed limits and the Bylaw. When changing a speed limit in the bylaw, there is also a requirement to consider a range of matters.

**Error! Reference source not found.**

# 4 Programme

| Date | Project Milestone | Status |
|---|---|---|
| 22 November 2018 | Key Stakeholder Workshop<br>• Why the reviews are taking place (Objectives and legislation)<br>• Background information socialisation of project with key stakeholders<br>• Prioritisation of roads for review<br>• Proposed process | **Complete** |
| February 2019 | Feedback from Key Stakeholders on priority road catchments for review. | **Complete** |
| March 2019 | WDC – Bylaw Introductory Sections Notified | **Complete** |
| April 2019 | FNDC – Bylaw Introductory Sections Notified<br>Draft programme agreed to take to Council's | **Complete** |
| May 2019 | WDC – Bylaw Introductory Sections made operative | **Complete** |
| June 2019 | FNDC – Bylaw Introductory sections adopted and made operative<br>WDC – Council approves consultation process for:<br>• Vinegar Hill Road<br>• Nova scotia Road / Waipu Urban Traffic Area<br>• One Tree Point / Marsden Point Road | **Complete**<br>**On August WDC Agenda** |
| July 2019 | FNDC – Preparation of technical Review Reports and Statement of Proposal<br>WDC – Finalization of Statement of Proposal | **Complete** |
| August 2019 | FNDC – Council approves consultation process (Waimate North Rd)<br>WDC – Council approves consultation process for:<br>• Vinegar Hill Road<br>• Nova scotia Road / Waipu Urban Traffic Area<br>• One Tree Point / Marsden Point Road | **On-track** |
| September 2019 | Preparation of Regional communications Information | **On-track** |
| October 2019 | FNDC – Notification of first tranche of road catchments<br>KDC – Council approves consultation process for Molesworth Drive<br>KDC – Notification Molesworth Drive / Mangawhai<br>Regional Communications / Web information goes live | **On-track**<br>**On-track**<br>**On-Track** |
| Feb 2020 | WDC – 2nd Tranche of Roads Notified | **Not started** |

***Note: Kaipara District Council programme being finalised***

# 5 Setting Priorities

Guidance from NZTA recognises that reviewing speed limits across any one district is a significant task. The expectation is therefore that the reviews will be undertaken progressively over time, with approximately 5% of the District roading network being reviewed in any one year.

To avoid ad-hoc changes to speed limits and ensure that there is consistency in speed limits across Northland and each district, an overall methodology has been developed to identify and prioritise areas for speed limit reviews.

Speed management is about increasing safety on the road network and will focus on parts of the network where:

- There is a significant differential between actual travel speeds, and safe and appropriate speeds
- There is a high personal or collective crash risk
- Speed management will make a difference
- There are high benefit opportunities to align the posted speed limit with the self-explaining nature of the corridor

The overall outcome is to improve road safety, reduce serious injury and fatalities and ensure that speed limits are consistent and credible.

## 5.1 Overall Methodology

The methodology for determining priorities for speed reviews must be evidence based, but also take account of other issues such as community views and the resources available to undertake the review. To achieve this, four key information streams have been utilized to identify high priority road corridors and catchments. The information streams are:

- Crash risk data
- Council Roading Priorities - local road environment issues and future planning
- Stakeholder Priorities
- Community Feedback

The separate information streams are analysed, and when identified areas overlap, the relative priority increases (Figure 1).

The detailed timing of reviews will also take account of Council resources and other factors such as the size, complexity and anticipated community engagement requirements.

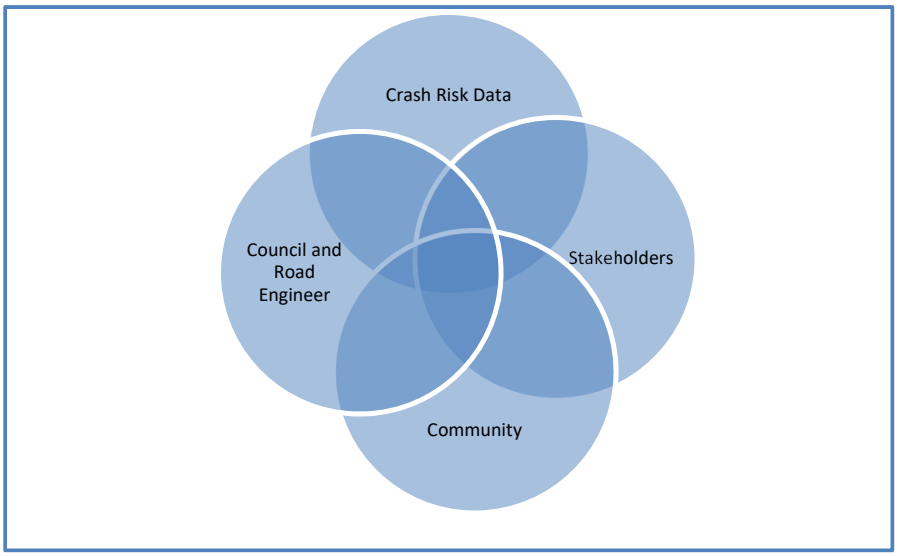



***Figure 1: Initial speed limit priority setting***

Descriptions of the priorities are set out below:

| | |
|---|---|
| **Priority 1** | All information streams intersecting indicating a road catchment area that is expected to be self-explanatory from a road safety engineering perspective and will have a relatively high level of initial community support to undertake a speed review and/or introduce speed management initiatives. |
| **Priority 2** | Three information streams intersect indicating a road catchment area with moderate level of benefits arising from a speed management review. The community may be less supportive of these roads being subject to a speed review, or the engineering case for reviewing the speed limit may be less obvious. |
| **Priority 3** | Two information streams intersect indicating a lower engineering benefit or lower community support for a review. Priority 3 areas will be ordered in the following way:<br>• Crash Risk Data (high risk) and Council Road Engineer<br>• Crash Risk Data (high risk) and Stakeholders<br>• Council Road Engineer and Stakeholders<br>• Council Road Engineer and Community<br>• Stakeholder and Community |
| **Priority 4** | Roads identified in only one of the information streams indicate that the road or catchment area may result in a more difficult conversation with the community, or the wider benefits may be less clear. Priority 4 areas will be ordered in the following way:<br>• Crash Risk Data (highest risk first)<br>• Council Road Engineer<br>• Stakeholders<br>• Community |

## *5.2 Crash risk data*

Crash risk data is an evidence-based assessment and is largely based on historic data, including crash data and road environmental factors. The general principles for identifying the order of speed management reviews are to prioritise:

- Areas where there is the greatest potential to reduce deaths and serious injury (higher collective and personal crash risk).
- Areas where there are high benefit opportunities to improve the credibility of speed limits.
- Reviews should include an entire road catchment area.

It should be noted that, State Highways, and any other roads that are under the control of NZTA is excluded from the review process as Council does not have the jurisdiction to set speed limits on these roads.

Crash risk data has been mapped throughout Northland at a relatively high level using a range of measures (refer appendix 1 for detailed definitions), including:

- Safe and appropriate speed
- Collective risk
- Personal risk
- Infrastructure risk
- High benefit areas

The measures have been combined to identify the 1st and 2nd Top 5% of roads within each district that would potentially benefit the most from speed management reviews. The areas include roads that:

- Could be engineered up to make the road safer for the current posted speed limit.
- Are self-explaining areas where the speed limit should be reduced
- May require difficult conversations with the community, where the outcome is unclear.

To determine an overall crash risk data priority, the three main risk measures (Collective, Personal, Infrastructure) have been assigned the following values:

| Risk Measure Score | Priority Scores |
|---|---|
| Low 1<br>Low Medium 2<br>Medium 3<br>Medium High 4<br>High 5<br><br>Where the risk varies over the length of the road, the highest risk measure is utilised to score priorities. | Where a combined score of:<br>0-5 Low priority<br>6-10 Medium priority<br>11-15 High priority<br><br>Where the data identifies the road of interest as "High Benefit", the road is automatically placed into the "High Priority" score. |

In determining the roads and road catchments that will be targeted initially, additional consideration has been given to:

- The 1st and 2nd Top 5% high benefit roads and their catchment areas
- Roads where there is a significant difference between the posted speed limit and the assessed safe and appropriate speed

It should be noted that the safe and appropriate speed measure is an initial high-level desktop assessment. Additional "ground truthing" will be required.

## *5.3 Council and road engineer data*

Council's road engineers have identified roads and road catchment areas where:

- Existing development has created a disconnect between the road environment and the posted speed limit.
- Proposed or future planned development will result in a need to amend a speed limit
- There are known speed related issues within a catchment area
- There are specific concerns that warrant a change in speed limit

## 5.4 Stakeholder feedback

A key stakeholder group has been established, consisting of:

- NZTA
- NZ Police
- Automobile Association (AA)
- Northland Freight Group
- Northland Road Safety Forum and other regional transport forums

Key Stakeholders can provide an indicative community view, as well as wider road safety knowledge to identify key priority areas for speed reviews. Feedback and input from key stakeholders will be utilised to help identify and verify roads and road catchment areas that would benefit from a speed review.

## 5.5 Community feedback

Community engagement is an integral component of setting and reviewing speed limits.

Councils regularly receive road speed related enquiries and requests to amend speed limits from the public. These enquiries can come in the form of individual correspondence or through submissions on other plans and strategies, for example, the Whangarei District Walking and Cycling Strategy, or the Long-Term Plan.

Community feedback provides an indication of areas where the community feel strongly about speed related issues.

## 5.6 Programming principles

Following the identification of speed management review areas using the above data streams, the reviews will be programmed using the following general principles:

- The overall programme must promote consistency of speed limits across the region
- Speed management review selection and prioritisation will be evidence based
- Initial speed reviews will be undertaken in areas where crash risk evidence supports a strong community or stakeholder support for a speed review.
- Smaller, self-explaining catchment areas will be reviewed early in the process
- Road catchment areas will be reviewed in preference to individual roads

# 6 Matters to be considered

Section 4.2(2) of the Setting of Speed Limits Rule 2017 requires a range of matters to be considered when reviewing and setting a speed limit.

| | |
|---|---|
| **NZTA Information** | NZTA undertake a wide range of road safety research based to support the setting of speed limits and road design. |
| **Speed Management Guidance** | NZTA provides guidance for the setting of speed limits within the *NZTA National Speed Management Guide 2016*. |
| **Function and use of the Road** | The function and use of the road is identified through a nationally consistent system called the *One Network Road Classification (ONRC).* Under this system, a road with similar characteristics should have the same speed, no matter where it is in the country. |
| **Crash Risk** | The location and cause of each crash is utilised to determine the risks on a specific length of road. This system only records more serious crashes, or those crashes that are reported through formal processes.<br><br>The changing road environment neds to be considered in terms of changing the crash risk. |
| **Characteristics of the Road** | This includes aspects such as undulation, curves, road carriageway width and the perception of the road to the driver. Road characteristics have a significant impact on the perception of a safe speed. |
| **Adjacent Land-use** | Adjacent land-use has a significant impact on the road environment and includes existing and planned developments. Land-use zones also need to be considered. Schools, public facilities, recreational facilities and urban land-uses increase the number of vehicles accessing the road and increases the number of pedestrians and cyclists using the road, as well as the number of “at risk” people such as youth. |
| **Intersections and Property Access** | Vehicles entering the road carriageway from an intersection or property access has an inherent risk associated with the speed of vehicles already on the carriageway. The number and density of direct access-ways need to be considered. |
| **Traffic Volumes** | Traffic volumes are estimated using Average Daily Traffic Flows that are averaged over a 7day period. |

# 7 Consultation requirements

Consultation is undertaken in accordance with Section 156 of the Local Government Act 2002 and the Setting of Speed Limits Rule 2017.

## 7.1 Local Government Act requirements

Section 156 of the Local Government Act 2002 contains the legal tests to determine the consultation process required to amend the Speed Limits Bylaw. Generally, the larger the catchment area being reviewed and higher the public interest, the more complex public consultation will be.

Section 156(2) provides for minor changes or the correction of errors to Bylaws by way of a public resolution by Council. The amendment of a speed limit is neither a minor amendment nor a correction of an error, as such changes anticipated by speed management reviews cannot be made by public resolution alone.

Section 156(1) contains tests to determine the consultation process, being either:

- Section 82 Process, using the principles of consultation, leading to a more flexible process
- Section 83 Special Consultative Procedure

Larger, more complex review areas are expected to utilise the Section 83 Special Consultative Procedures.

Section 82 and 82A of the Local Government Act 2002 requires that the following be made publicly available:

- The proposal and the reasons for the proposal
- An analysis of the reasonably practicable options
- Details of the proposed changes to the plan, policy, or other document.

Section 83 requires additional processes, including the production of a Statement of Proposal.

A determination will be made as to the most appropriate form of consultation. This will be reported through Council prior to notification.

## 7.2 Setting of Speed Limits Rule Requirements

Section 2.5 of the Setting of Speed Limits Rule 2107 sets out the consultation requirements when setting a speed limit, and includes a requirement to consult with the following:

- The occupiers of any properties adjoining the road to which the proposed bylaw applies
- Any affected local community
- The Commissioner of Police
- Any other organisation or road user group that the road controlling authority considers affected. It should be noted that a Key Stakeholder Group has been identified.
- The New Zealand Transport Agency

## 7.3 Giving effect to consultation requirements

The Speed Limits Bylaw sets speed limits that are enforceable under the Land Transport Act 1998, either through instant fines, or through the Court system. It is therefore important that the process for setting the speed limits is transparent and meets all aspects of the relevant legislation. Failure to ensure proper process has the potential to result in future legal challenges to the bylaw and any enforcement action taken under the Bylaw.

The consultation requirements of both the Local Government Act and the Setting of Speed Limits Rule 2017 can be combined and run concurrently.

It should be noted that, in most cases, speed reviews will require socialisation with Councillors through appropriate Committee briefings or updates. The following processes focus on externally facing procedures to ensure a transparent process.

| | |
|---|---|
| **Prepare Speed Review Documentation** | Speed Review Report incorporating:<br>• Details of what changes to the speed limit are proposed, including the reasons for the proposed changes<br>• Assessment of options<br>• Detailed assessment of the matters to be considered under Setting of Speed Limits Rule 2017<br>• How to make a submission<br>• A Summary Report that condenses the information in the Speed Review Report; and includes all the elements required under the Local Government Act. |
| **Adoption / Approval of Consultation Process** | Depending on delegations, this will be an Agenda to either the relevant Committee or full Council and includes:<br>• Agenda item<br>• Speed Review Report as an attachment<br>• Speed Review Summary Report as an attachment<br>Note: Some committees have delegated authority to approve consultation processes up to, but not including adoption of a Bylaw. Delegation varies from Council to Council. |
| **Notification** | • Public notice – includes local publications<br>• Minimum 4-week consultation period<br>• Mail drop to residents within the review area where practicable<br>• Public drop-in sessions should be considered where mail drops are not feasible<br>• Statutory consultees and key stakeholders notified directly, including:<br>  • The commissioner of Police<br>  • NZTA<br>  • The Automobile Association<br>• Reports made available on relevant Council's website, libraries and all Council Service Centres for viewing. |

| | |
|---|---|
| **Media Releases** | Where appropriate, media release to be issued:<br>• During first week of notification<br>• One week prior to close of submissions |
| **Submissions** | Submissions are managed through individual Council submission management systems.<br>• Online submissions are encouraged, however, submissions can also be mailed, hand delivered or Emailed.<br>• All submissions are acknowledged by either letter or Email |

| | |
|---|---|
| **Close of submissions / Hearing submissions** | Upon closing of submissions:<br>• Council website to acknowledge that submissions have closed<br>• Submitters wishing to be heard are advised of the process for being heard. Note this process will reflect the consultation process undertaken (Section 82 or 83 of the LGA) and the nature of the submissions received; and could include:<br>  • Formal hearings in accordance with Section 83 LGA requirements<br>  • Informal meetings (Delegations may be required)<br>  • Public meeting or forum<br>• An NTA report summarising submissions and recommending responses will be produced and made available to submitters; and must be adopted by Council. |
| **Council to adopt amendments** | The adoption of the final amendments must be made by full Council.<br>To make the amendments to the Bylaw operative, Council will need to receive the:<br>• Full Speed Review Report<br>• Community Consultation and Recommendations Report (note: this may be incorporated into the Speed Review Report)<br>To make amendments to the Bylaw, Council will need to adopt the:<br>• Full speed Review Report<br>• Recommendations of the Consultation Report<br>• Amendments to the Speed Bylaw Schedules (including an operative date) |
| **Making a new / amending a bylaw process** | Post adoption, the following will need to be undertaken:<br>• Submitters notified of decisions and changes<br>• Public notice must be placed in paper<br>• Amended Bylaw must be available at Council offices and updated on the website<br>• NZ Police and NZTA must be notified directly<br>• New signage needs to be put in place on the relevant roads<br>• Media releases and any community education should be in place |

## *Appendix 1 - Priority Road Catchments*

The following identifies the primary road of interest, which, as part of the review process will be expanded to a wider catchment area. The roads have been identified using

- Crash risk data
- Information from Council road engineers
- Feedback from Key Stakeholders
- Community input through un-related consultations or public enquiries.

This Appendix will be continuously reviewed and updated and reflect the current priorities for the next two years. In some cases, for example, the Whangarei Heads Road, it will be necessary to divide the larger catchment into smaller priority areas where it is deemed important to address specifically identified issues.

Several high priority areas have been identified on State highways. These have not been included as Local Road Controlling authorities do not have speed limit jurisdiction over State Highways.

**NOTE:**

**The tables below are not exhaustive and highlight a number of higher priority roads and road catchments in the three districts. As the project continues, ALL roads in Northland will be reviewed.**

**The three Councils are at different stages of identifying which roads and road catchments will be included in the first tranche of reviews.**

**Error! Reference source not found.**

| Whangarei District Road Controlling Authority | | | | | |
|---|---|---|---|---|---|
| **Road Catchment** | **Crash Risk** | **Council** | **Stakeholder** | **Community** | **Comment** |
| Vinegar Hill Road* | High | High | Yes | Yes | Closed catchment area with significant planned development. |
| One Tree Point Road / Marsden Point Road Catchment* | Medium | High | Yes | Yes | Marsden Point Road is high importance.<br>Concerns about the speed of Heavy Goods Vehicles and danger to pedestrians, particularly over bridges.<br>Te Araroa Trail partially uses this road to get around estuary. |
| Whangarei Heads Road | High | High | Yes | Yes<br>**(Very High)** | Catchment area may include coast roads to Pataua South, Taiharuru and Ocean Beach. |
| Ngunguru Road | High | High | Yes | Yes<br>**(very high)** | High summer holiday traffic. Includes the Tutukaka Coastal roads. |
| Nova Scotia Road* | High | High | | Yes | New urban development (Nova Scotia Road).<br>Potential to expand the Urban Traffic Area<br>Include Waipu and Waipu Cove Road in review. |
| Pipiwai Road | High | High | | Yes | Urban development and re-zoning |
| Whangarei City CBD | High | Medium | Yes | Yes | Identified as a priority within Whangarei Council's Walking and Cycling Strategy<br>Supported by WDC Walking and Cycling Reference Group. |
| Whareora Road | High | Medium | | | Urban development has changed road environment. |
| Abbey Caves Road | High | Medium | | | |
| Dip Road | Medium | High | | Yes | Urban development and re-zoning |
| Three Mile Bush Road | Medium | High | | Yes | New and ongoing sub-division development.<br>Documented speed issues approaching the School. |
| Cemetery Road and Surrounding roads* | Medium | Medium | | | Speed limit does not match the environment, including schools and extensive residential development. |
| Beach Road Onerahi | Medium | Low | Yes | | Very narrow carriageway (<5m wide)<br>Limited room for pedestrians and passing for opposing traffic. **This road will be incorporated into the Whangarei Urban Traffic Area review**. |
| Great North Road | Low | Medium | Yes | | Speed limit does not match environment, including sports park, elderly care facility and school, kindergarten and crossing points. **To be included in the Whangarei Urban Traffic Area review.** |

*These roads are included in the first tranche of reviews. They have been identified because they meet the overall prioritisation thresholds and represent smaller catchment areas that are self-explaining in terms of a safe and appropriate speed. Starting with these catchment areas will enable Council to refine its review and consultation process in advance of larger more complex reviews.

**Error! Reference source not found.**

| Kaipara District Road Controlling Authority | | | | | |
|---|---|---|---|---|---|
| **Road Catchment*** | **Crash risk** | **Council** | **Stakeholder** | **Community** | **Comment** |
| Molesworth Drive** | Medium | High | | | Urban development. |
| Pouto Road | High | High | | | Includes whole Poutu Peninsula |
| Kaiwaka Mangawhai Road | High | High | | | Increasing traffic volumes. |
| Gorge Road | | High | | | |
| Baylys Coast Road | Medium | Medium | | | Includes Scotty's Camp Road. |
| Scotty's Camp Road | Medium | High | Yes | | Includes Baylys Beach Road |
| Omamari Road | High | High | | | |
| Dunn Road | Medium | High | | | |
| Hokianga / Waihue Road | Medium | High | | | Entry into the urban environment |
| Cove Road | Medium | High | | | Cross-boundary" road connecting into Whangarei District. |
| Insley / Tomarata Road | Medium | High | | | Urban development |
| Awakino Road | | Low | Yes | | |
| Ruawai | | Medium | Yes | | |

*The prioritisation process for these roads is currently being completed.

**Molesworth Drive is the subject of significant development that will have a significant impact on the road environment.

**Error! Reference source not found.**

| Far North District Road Controlling Authority | | | | | |
|---|---|---|---|---|---|
| **Road Catchment*** | **Crash Risk** | **Council** | **Stakeholder** | **Community** | **Comment** |
| Aucks Road – Russell Whakapara Road** | High | High | | Yes | *This is the road leading from the Opua ferry into Russell – continued development along its route and an increase in traffic warrant a review especially in summer periods.* |
| Kaitaia – Awaroa Road | High | High | Yes | Yes | *High fatal and serious crash rate – there are currently multiple speed limits on this route – needs to be uniform and consistent* |
| Kerikeri Road** | High | High | Yes | | *This is FNDC's highest volume road, in excess of 11,000 vehicles a day, continued development along its length. Has a shared path running along the majority of its length.* |
| Flagstaff / Tapeke Road | High | High | | | *This route is used by pedestrians to access the flag staff & Tapeke Point beach no footpath and road is narrow with no shoulders, undulating and tight curves. Should be reviewed as part of a Russell Urban Traffic Area Review.* |
| Kapiro Road | High | Medium High | | Yes | *There is high resident interest in this route as the perception is the road is unsafe however the main contributing factor in all the recorded crashes is driving impaired (Alcohol)* |
| Waimate North Road** | Medium | Medium High | | Yes **(Very High)** | *High resident interest, specifically relating to speed outside Springbank School, where speed limit is 100kmph.* |
| Waipapa – SH10 | | | | Yes **(Very High)** | *High resident interest, with lobbying for lower speed limit over a long period. A speed review in this catchment needs to include State Highway – therefore should be undertaken in partnership with NZTA.* |

*Road and catchment areas are to be workshopped with Council prior to the first tranche of reviews being announced.

**These roads and catchment areas will be recommended as being in the first tranche of reviews.

**Error! Reference source not found.**

## *Appendix 2 – Key Stakeholder Group*

The setting of Speed Limits Rule 2017 requires the RCA to consult any organisation or road user group that the Road Controlling Authority considers affected by the proposed amended speed limits. To satisfy this requirement, a Regional Key Stakeholder Group has been identified.

The Key Stakeholder Group is intended to provide regional industry and regulatory perspectives on wider speed management issues, including areas that may need to be prioritised.

In addition to the Key Stakeholders; local interest groups may also by identified on a case by case basis.

The groups or organisations identified as Key Stakeholders are:

- Northland Transport Alliance
- Whangarei District Council
- Far North District Council
- Kaipara District Council
- Northland Regional Council
- Northland Transport Committee (Chair)
- KDC – Northland Transport Committee representative
- FNDC – Northland Transport Committee representative
- WDC– Northland Transport Committee representative
- NZ Police
- Automobile Association
- Northland Freight Group - National Road Carriers Association
- Northland Freight Group (Chair) – Kaitaia Transport
- Northland Freight Group – Road Transport Association NZ
- Northland Road Safety Forum (Chair)
- NZTA - Road Safety Action Planning Team
- Road Safe North

## *Appendix 3 – Glossary*

| | |
|---|---|
| **Catchment Area** | The catchment area incorporates the roads that naturally feed traffic into, or where traffic may directly or indirectly connect with the road of interest, similar to a river catchment area. Considering a catchment area, rather than an individual road can significantly expand the number of roads being considered. |
| **Closed Catchment Area** | A Closed Catchment Area is a relatively small and easily defined network of roads that only connect to the road of interest. An example of a Closed Catchment Area is Vinegar Hill Road. |
| **Collective Risk** | Collective Risk is a measure of the total number of fatal and serious injury crashes per kilometre over a section of road. Collective risk does not take account of the volume of traffic on the road. |
| **High Benefit** | Opportunities where changes to speed management settings will either reduce serious injury or deaths; improve efficiency; or contribute to the public credibility of speed limits. |
| **High Benefit First 5%** | A High Benefit area that should be prioritised within the first 5% of roads where a speed management review is to be undertaken. |
| **High Benefit Second 5%** | A High Benefit area that should be prioritised within the second 5% of roads where a speed management review is to be undertaken. |
| **Infrastructure Risk** | A road assessment methodology designed to assess road safety risk based on eight key design and infrastructure features. |
| **Personal Risk** | Personal Risk is a measure of the danger to each individual using a road. Personal risk takes into account the traffic volumes on the section of road. In many cases, infrastructure improvements may not be cost effective and other safe system interventions such as safer road use or speeds need to be explored. |
| **Safe and Appropriate Speed** | A travel speed that is appropriate for the road function, design, safety and use. It should be noted that the actual safe speed on parts of the road will be dependent on factors such as road condition, specific curves and other site-specific conditions. A lower speed than the overall stated safe speed may be appropriate along stretches of the road. |

# Infrastructure Strategy 2021 to 2051

**Meeting:** Kaipara District Council Briefing
**Date of meeting:** 5 September 2019
**Reporting officer:** Jim Sephton – GM Infrastructure

## Purpose/Ngā whāinga

To seek input from Council on the development of the Infrastructure Strategy.

## Context/Horopaki

Council is required to prepare an Infrastructure Strategy as part of the development of the Long Term Plan (LTP). The Infrastructure Strategy is a minimum 30 year view and provides an opportunity to present a strategic picture of our infrastructure portfolio.

In developing the LTP, Council Officers are intending to implement some of the lessons learnt from the previous LTP. In relation to Infrastructure strategies, it is considered that should be[1]:

- **visionary** – telling the story about where local authorities were, where they expected to be, and how they intended to get there;
- **realistic** – including relevant assumptions and disclosures on funding, data, risks, and delivery; and
- **relational** – creating the right debate and being credible by connecting with financial strategies, demographic change, and other relevant influences.

The Infrastructure Strategy will be integrated with the District Plan and associated Spatial Plans which also present a strategic picture of land use over the 30 year period. This will allow demand triggers – such as growth – to be treated consistently.

Activity Management Plans (AMPs) will be developed which give effect to the Infrastructure Strategy. These generally have a 10 year focus and will include:

- Water supply
- Wastewater
- Stormwater
- Flood Protection and Control Works
- Transport (Roads and Footpaths)
- Solid Waste
- Recreation and Community Facilities

The starting point for the Infrastructure Strategy is developing the 'Key Issues' which we face as a District which are likely to require significant capital investment decisions.

These Key Issues are set out in the presentation included at Appendix A and will be discussed during the briefing.

[1] Controller and Auditor General – Matters arising from the 2015/2025 Long Term Plans

KAIPARA DISTRICT

## Discussion/Ngā kōrerorero

The Infrastructure Strategy will recognise a number of internal and external factors which will influence how we manage infrastructure going forward. These assumptions include, but are not limited to:

- Sustainability and affordability
- Demographic changes and growth
- Asset condition
- Economic development
- Environmental conditions including climate change.

The strategy will be developed in collaboration with our regional partners so that where practical, our assumptions are consistent and opportunities to find efficient solutions are explored.

An initial view of the 'Key Issues' has been developed through consideration of:

- Matters arising through Council
- Discussions with departments within Council
- External supply and partner views.

The 'Key Issues' presented are a starting point for further engagement which will inform the LTP and the AMPs. They provide a framework within which more detailed problem or opportunity analysis can be undertaken.

## Next steps/E whaiake nei

Feedback from the Council will be incorporated along with continued consultation as part of the LTP. A Draft Infrastructure Strategy will be prepared by June 2020 alongside the draft LTP and Activity Management Plans

## Attachments/Ngā tapiritanga

| | Title |
|---|---|
| A | Kaipara Infrastructure Strategy Presentation |

Jim Sephton, 28 August 2019

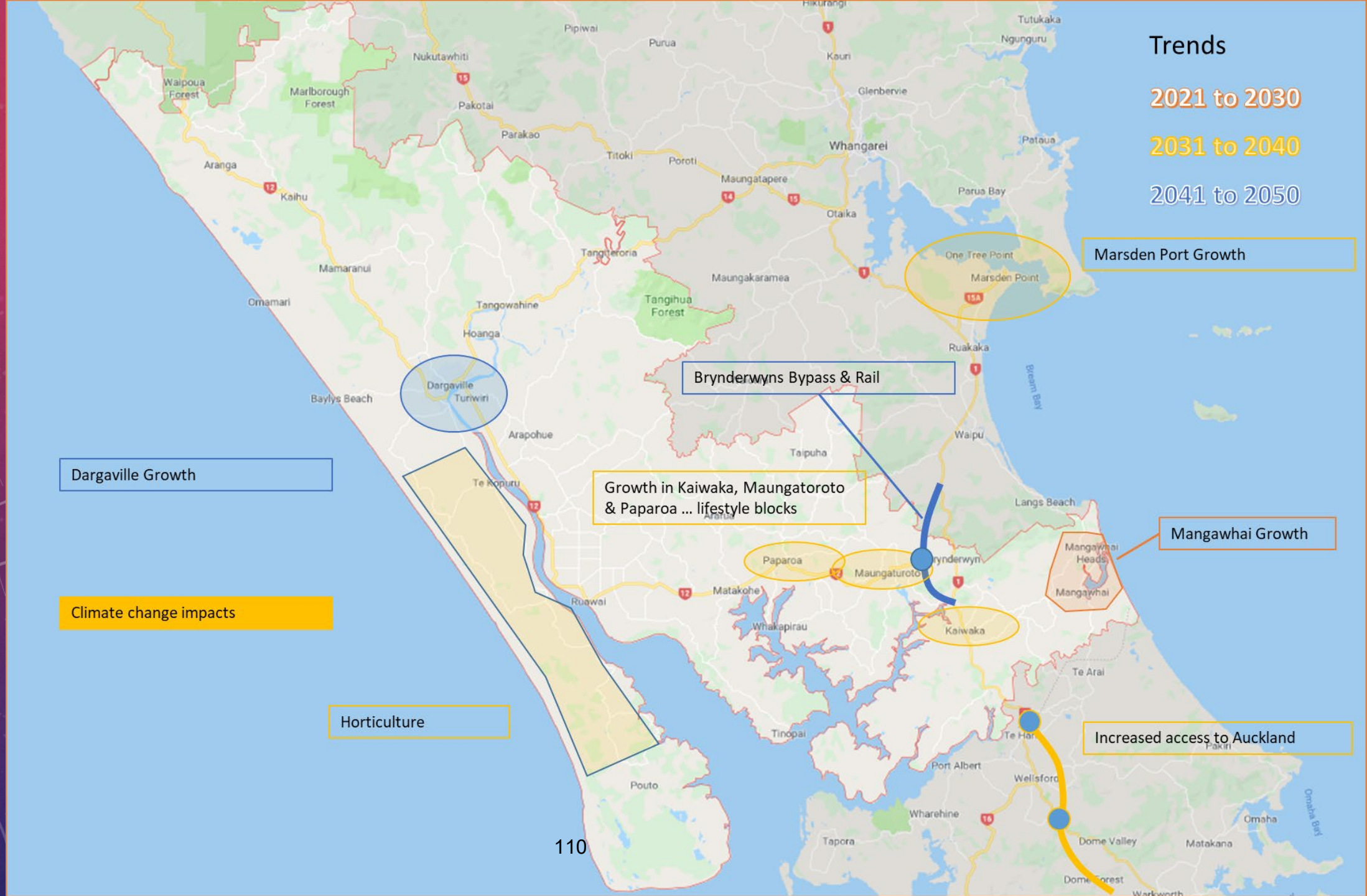
# INFRASTRUCTURE STRATEGY

"By 2045 New Zealand's infrastructure will be resilient and coordinated, and contribute to a strong economy and high living standards". *2015 NZ Infrastructure Plan*

*Thirving communities working together*

*What will Kaipara look like in 30 years? .... District Plan*

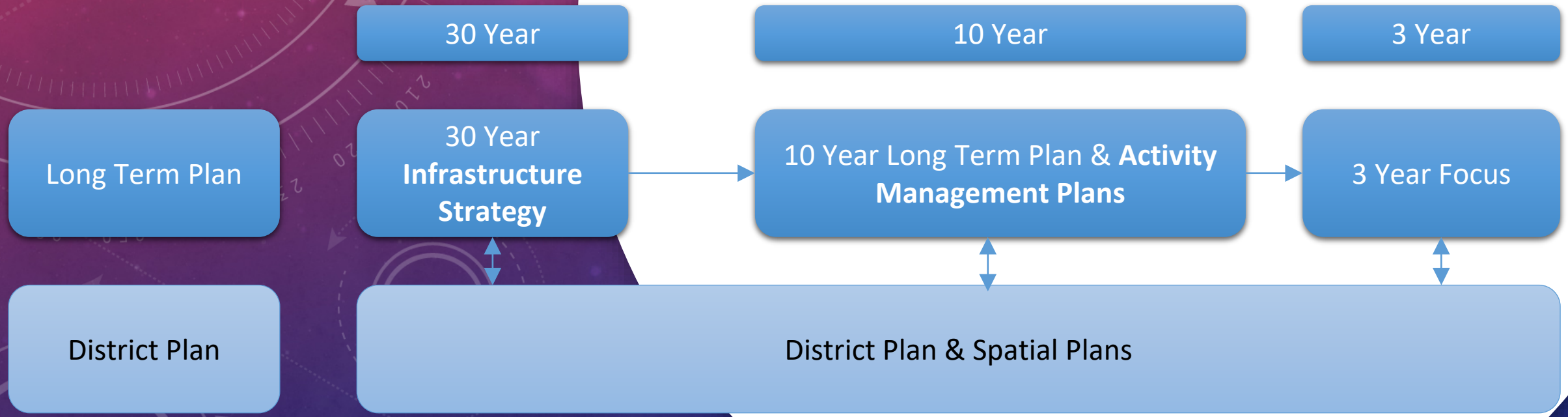
# DISTRICT PLAN



# INFRASTRUCTURE STRATEGY

**Purpose** | To receive Council Feedback on the emerging Infrastructure Strategy – in particular the Key Issues

# HOW DOES IT FIT?



# WHY DO WE NEED ONE?

Local Govt Act section 101B requires one

30 Year focus raises long term issues to be addressed

Contents to inform the consultation document and to be included in full in the LTP

**Purpose is to:**

*"identify significant infrastructure issues and options for managing them over the period covered by the strategy"*

*"to bring long-term infrastructure management issues, and their consequences, to the explicit attention of both councils and communities"*

# WHAT'S IN THE INFRASTRUCTURE STRATEGY?

## Contents need to:

- Describe the range of factors that impact on the cost and nature of infrastructure
- Identify major assumptions
- Identify the most likely scenario
- Show capital and operating expenditure required for scenario
- Estimate cost and timing of significant capital expenditure and options to consider

# ACTIVITY MANAGEMENT PLANS GIVE EFFECT TO THE STRATEGY

WATER SUPPLY

WASTEWATER

STORMWATER

FLOOD PROTECTION AND CONTROL WORKS

ROADS AND FOOTPATHS

CAN ELECT TO INCLUDE OTHER ASSETS SUCH AS SOLID WASTE, RECREATION AND COMMUNITY FACILITIES OR OTHER PROPERTY

# ASSET MANAGEMENT PLANS

Typically tried to cover too much and end up too long and unwieldy

Focus this time on supporting local scheme, area decision making

# HOW ARE WE GOING TO DO IT?

- Visionary but realistic – tackle the big issues and be strategic in how we deal with them
- Regional consistency and collaboration.
- Integrated with the District Plan
- Align with existing council strategies and direction
- Community focused
- Drive how we do things – e.g. Te Aranga Design Principles
- Activity = Asset + Operation
- Interactive AMP which allows for effective and transparent decision making

# KEY THEMES & ASSUMPTIONS

- Sustainability and Affordability
- Resilience – Climate Change
- Demographic changes & growth
- Priorities – Economic Development
- Trigger points
- Getting good data – asset condition

# WHAT ARE THE KEY ISSUES?

## Improving Road safety

**Why?**

More likely to be killed or seriously injured on Northland roads than anywhere else in NZ

Over 70% unsealed with resulting concerns regarding dust

Changes to electric and driverless vehicles

Heavy vehicle impacts on state of roads

**Major investment considerations?**

Upgrading roads

Reducing speeds

Charging stations

# WHAT ARE THE KEY ISSUES?

## Supporting tourism growth

**Why?**
Currently a $1b a year industry and growing … particularly Auckland market
Need to increase spend in west and extend beyond peak season
Growing eco-tourism

**Major investment considerations?**
Cycle trails
Accommodation
Waste and drinking water capacity at peak times

# WHAT ARE THE KEY ISSUES?

## Flood prone communities

**Why?**

NRC maps illustrate increased flooding in agricultural and residential areas … loss of productive land

Increased intensity of storm events affecting resilience

Lack of SW infrastructure

Impact of flooding on infrastructure and communities

**Major investment considerations?**

Raupo flood protection

Mangawhai coastal defence

Increased stormwater investment

# WHAT ARE THE KEY ISSUES?

## Security of water supply

**Why?**
Sources vulnerable to pressure from growth
During drought:

- Environmental impact on our rivers
- Continuity of supply for our industries and communities

**Major investment considerations?**
Water storage options at

- Dargaville
- Mangawhai
- Kaiwaka
- Mangataroto
- Paparoa

# WHAT ARE THE KEY ISSUES?

## Growth – Mangawhai & Maungatoroto

**Why?**
Affordable housing & lifestyle
Connectivity with Auckland & Whangarei
Changing land use
Insufficient infrastructure

**Major investment considerations?**
Wastewater upgrades
Power upgrades
Extensive roading and parking provision

# WHAT ARE THE KEY ISSUES?

## Failing waste water systems

**Why?**
Aging infrastructure
Rising water table
Rising sea levels
Threat to environment from failures

**Major investment considerations?**
Paparoa Wastewater scheme
Extend Kaiwaka and Dargaville schemes
Coastal settlements

# WHAT ARE THE KEY ISSUES?

## Health of Kaipara Harbour

**Why?**
Biodiversity threats
Socio-economic opportunities

**Major investment considerations?**
Protection of water sources
Planting

# WHAT ARE THE KEY ISSUES?

## Kaipara Kai – improving land productivity

**Why?**
More sustainable land use
Better job creation … inclusive growth
Increased economic return
Improve resilience to climate change

**Major investment considerations?**
Water storage
Transport  investment to support export certainty

# WHAT ARE THE KEY ISSUES?

## Mobility for our communities

**Why?**
Aging population who will be less reliant on cars
Increased cost of travel for private vehicles
Reliant on services in neighbouring towns

**Major investment considerations?**
Public transport services for communities
Intercity/regional public transport services
Increased spend on footpaths
Cycleways

# WHAT ARE THE KEY ISSUES?

## Digital connectivity

**Why?**
We have communities without access to reliable internet
Increasingly essential for businesses to be digitally enabled
We have the heart of the digital fibre in Maungatoroto

**Major investment considerations?**
Work in partnership with providers

# WHAT ARE THE KEY ISSUES?

## Reducing waste

**Why?**
Working towards zero waste
Illegal dumping
Lack of local tertiary institutions

**Major investment considerations?**
Up-cycling facilities
Shared green waste areas
Regional waste to energy plant

# WHAT ARE THE KEY ISSUES?

## Attracting business/industry

**Why?**
Low socio-economic
Key driver – increasing business opportunities

**Major investment considerations?**
Improved transport routes
Additional infrastructure
Digital connectivity

# ARE THESE THE KEY ISSUES FOR KAIPARA OVER THE NEXT 30 YEARS?

1. Road safety
2. Supporting tourism growth
3. Flood prone communities
4. Water supply during drought
5. Mangwhai & Maungatoroto growth
6. Failing waste water systems
7. Health of Kaipara Harbour
8. Kaipara Kai – improving land productivity
9. Mobility for our communities
10. Digital connectivity
11. Reducing waste
12. Attracting industry/business

KAIPARA DISTRICT
Kaipara te Oranganui • Two Oceans Two Harbours

# Northland Water Storage and Use Project

**Meeting:** Kaipara District Council Briefing
**Date of meeting:** 05 September 2019
**Reporting officer:** Mark Schreurs, Policy Analyst

## Purpose/Ngā whāinga

To update elected members on how the Northland Water Storage and Use Project is progressing.

## Context/Horopaki

Following a series of droughts and prompting from the Kauri Coast community, Northland Regional Council (NRC) pursued and succeeded in securing funding from central government for first one and then a second study into water storage in Northland. The 'Northland Strategic Irrigation Infrastructure Study' (Opus 2015) recommended Kaipara and the Mid-North as areas to take forward to a more detailed level of investigation, being the most likely to benefit from development of community scale water storage infrastructure.

The 'Scoping of Irrigation Scheme Options in Northland' study (Opus 2017) followed on from the 2015 study. It identified the potential and value of a community water retention scheme in the Kaipara and Mid-North.

These early investigations[1] identified the opportunity of irrigating approximately 6,300ha in the Kaipara district and 1,600ha in the south of Kaikohe (Mid-North A) and 1,700ha in the west of Lake Omapere (Mid-North B).

The Scoping Study (Opus 2017) identified that providing a reliable water supply could increase Kaipara's employment by 950 jobs and generate $85 million in GDP annually. Given Dargaville and Te Kopuru's modest populations, the addition of 950 jobs could be a game changer for the local economy and community.

Following the results of these studies, NRC worked in partnership with the Far North and Kaipara district councils (FNDC and KDC) to develop an application for funding to the Provincial Growth Fund (PGF) for the next phase of the study. This was submitted in August 2018.

## Discussion/Ngā kōrerorero

On 05 April 2019, central government announced it would invest, through the PGF up to $18.5 million in water storage in Northland. Of this funding $7 million is to be made available to NRC as a grant to fund the pre-feasibility, feasibility and commitment phases of the continuing investigations (i.e. all the phases of the investigation which precede construction, including engineering and consenting). The remaining funds allocated ($11.5 million) will be available as a loan towards construction costs.

It should be noted that the PGF has a different focus to the former Irrigation Acceleration Fund and Crown Irrigation Investments Limited (under which the previous studies were funded) and this is reflected in the direction it sets for these investigations. **Attachment A** sets out the PGF investment principles for water storage. These must be aligned with if the PGF is to be used for this project. In particular, it should be noted that, after the pre-feasibility phase is complete, any further inclusion of municipal supply in successive phases of the investigations must be funded

[1] These previous studies can be requested from Council staff or are available on the Northland Regional Council website https://www.nrc.govt.nz/your-council/economic-development/water-storage-and-use-project/

by local government and not the PGF. This recognises that municipal supply is a core responsibility of local government and outside the scope of the PGF.

Various co-funding requirements are set for each of the pre-feasibility, feasibility and commitment phases. These co-funding requirements increase as the project progresses through the phases: i.e. $100,000 then $200,000 then $1,000,000. NRC has already committed the co-funding contribution of $100,000 for the pre-feasibility phase. The three councils will need to consider how the co-funding aspect of the proceeding two stages should be proportioned.

Assuming viable schemes are identified for both the Kaipara and Mid-North, the $200,000 co-funding for the feasibility phase is likely to be split equally between each of NRC, KDC and FNDC. This means that KDC will need to be prepared for a commitment of $66,666.67 following March 2020. In addition, any additional work needed to further investigate the development of municipal supply will also need to be covered by local government rather than by the PGF.

The $1,000,000 co-funding required for the commitment phase is anticipated to include a contribution from the private sector.

A governance structure for the prefeasibility phase of the project, including terms of reference, has been prepared. This includes:

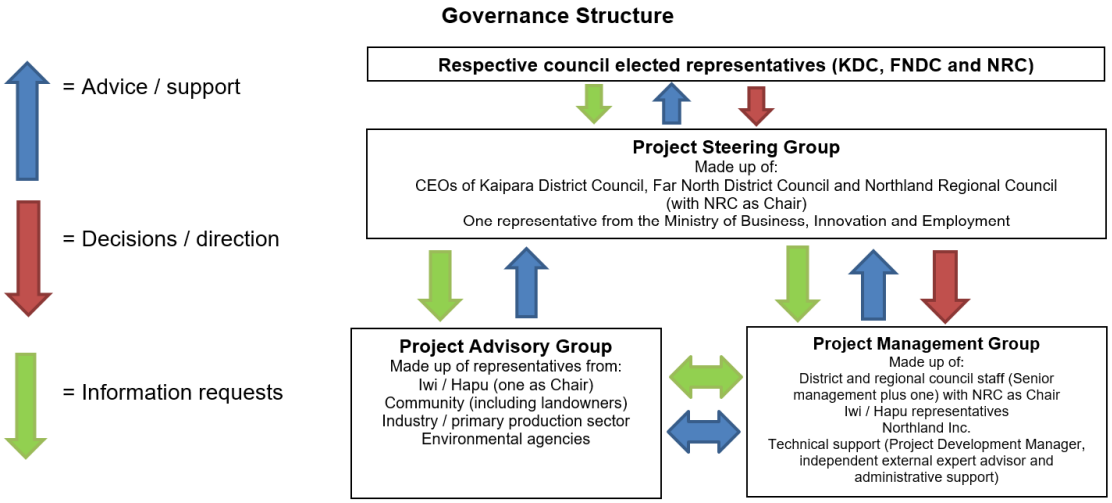
a) Project Steering Group – comprising the Chief Executives of each Council and two representatives from the Crown; Murray McCully and Dover Samuels. This group is able to provide sign off and direction as the project progresses.

b) Project Management Group – comprised of staff from NRC, KDC, FNDC and representation from Mana Whenua. This group oversees the day to day running of the project.

c) Project Advisory Group – comprised of representatives from industry (farmers and growers), community and Mana Whenua. This group provides key input, local knowledge and expertise as the investigation progresses.

The interaction between these groups is shown in the following schematic.

**Northland Water Storage and Use Project**
**Proposed Governance Structure and Terms of Reference**




The proposed project Governance Structure and terms of references for the three bodies within the structure have been designed with the Pre-feasibility Phase in mind and may need to be amended if the project progresses beyond this stage.

NRC has engaged Williamson Water and Land Advisory working in partnership with Riley Consultants to undertake the pre-feasibility phase investigations. The pre-feasibility study is scheduled to be completed by 31 March 2020.

This study shall begin by evaluating the demand for water and likely customer uptake in each of the three areas. It will then progress to identifying recommended water storage and distribution solutions. Leading into this study, there are many different design solutions and site locations that could be used to store and distribute water. The pre-feasibility study has the propose of evaluating these and recommending a preferred design and location. To this end, the study will be informed throughout its development by the Project Advisory Group to ensure the final solution is appropriate to local needs.

Once the pre-feasibility report is complete, a decision will be made by the Project Steering Group regarding if one or more of the identified schemes are sufficiently viable to warrant progressing to the next stage of investigation.

If any scheme/s are considered viable, they will then proceed through the feasibility (engineering design) and then commitment (financing and consenting) phases.

## Next steps/E whaiake nei

Given the pace at which this project is progressing, staff will be present at the next Council Briefing to provide a verbal update and answer any questions.

## Attachments/Ngā tapiritanga

| | Title |
|---|---|
| A | Provincial Growth Fund Investment Principles for Water Storage |

Mark Schreurs, 29 August 2019

KAIPARA DISTRICT

**Attachment A: Provincial Growth Fund Investment Principles for Water Storage**

Economic

- Water storage will strengthen regional economies by shifting land use to higher value, sustainable uses, while avoiding increases in livestock intensification.
- Water storage will help address disparities in Māori access to water for land development.

Community

- Small scale community level projects will be supported rather than mega irrigation schemes.
- There must be public benefit from government funding of a project.
- Projects will involve stronger partnerships at the local level, including with regional councils.
- The Crown Irrigation Investments Limited (CIIL)'s programme of work will not be progressed, although communities that were involved in CIIL initiatives can submit PGF proposals that align with PGF objectives.

Environment

- Water storage proposals should demonstrate that they will support land use that does not increase - and ideally reverses - negative impacts on water quality.
- Proposals should maintain the health of waterways.
- Water storage will not be used to increase the intensity of ruminant agriculture or other land uses in a catchment where this puts greater cumulative pressure on water and risks compromising water quality.
- Water storage proposals should incorporate activities that improve water quality e.g. activities that improve *E. coli* levels and ecological health, restoration and protection projects such as improvements in wetlands, fish and wildlife habitats, riverbanks, biodiversity activities, soil health and sediment control.

Climate change

- Where practicable, proposals should contribute positively to the target of reducing greenhouse gases, and demonstrate how they will contribute to mitigating or adapting to climate change effects and a just transition to a low emissions economy.

- Proposals should consider the potential to contribute to community resilience to climate change. Strengthening municipal water supply is not an objective of PGF funding. However, the PGF will work with councils to include municipal supply as a component of wider water initiatives, if it enables councils to contribute more to regional water management

## Contents


| | Briefing Report | Page |
|---|---|---|
| 1 | Annual Report 2019/2020 | 3 |
| 2 | Proposed National Policy Statement for Highly Productive Land | 5 |
| 3 | Spatial Planning for Kaipara District | 83 |
| 4 | Speed Limit Reviews | 85 |
| 5 | Key issues in infrastructure strategy | 107 |
| 6 | Northland Water Storage | 132 |