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Submission by

HORTICULTURE NEW ZEALAND

To the

PRODUCTIVITY COMMISSION

On the

USING LAND FOR HOUSING – ISSUES PAPER

22 DECEMBER 2014

Introduction

Horticulture New Zealand thanks the Productivity Commission for the opportunity to comment on the paper titled "*Using Land For Housing – Issues Paper*".

Horticulture New Zealand is at the forefront of discussion and planning processes around New Zealand that are considering urban intensification and land supply issues to ensure a sustainable response to urban growth pressures. The primary issue for Horticulture New Zealand being the impact of urban sprawl on rural production systems.

It is becoming the experience of Horticulture New Zealand through these discussion and planning processes that the connections and relationships between the rural sector and urban areas is being lost or forgotten. It is the opinion of Horticulture New Zealand that the impact of poor decisions could be catastrophic on the productive capability of nationally significant production land and threaten food security.

Using land for housing supply is a complicated matter but if we are to recognise, protect and enhance the rural production systems that support our national economy and supply food to the national and international communities, then we must clearly identify the resources required and how these systems will be considered in planning decision making.

Background

Horticulture New Zealand was established on 1 December 2005, combining the New Zealand Vegetable and Potato Growers' and New Zealand Fruitgrowers' and New Zealand Berryfruit Growers Federations.

On behalf of its 5,454 active grower members Horticulture New Zealand takes a detailed involvement in resource management planning processes as part of its National Environmental Policies. Horticulture New Zealand works to raise growers' awareness of the RMA to ensure effective grower involvement under the Act, whether in the planning process or through resource consent applications. The principles that Horticulture New Zealand considers in assessing the implementation of the Resource Management Act 1991 (RMA) include:

- The effects based purpose of the Resource Management Act,

- Non-regulatory methods should be employed by councils;
- Regulation should impact fairly on the whole community, make sense in practice, and be developed in full consultation with those affected by it;
- Early consultation of land users in plan preparation;
- Ensuring that RMA plans work in the growers interests both in an environmental and sustainable economic production sense.

Threats to the Viability of the Horticulture Sector

Over the past 20 years, horticultural exports have grown from \$NZ 200 million to \$NZ 2.23 billion. Including domestic sales, the horticultural industry is worth \$NZ 5 billion and it employs over 50,000 people. Despite the industry growth, there are a number of threats to the viability of Horticulture in New Zealand and to maintaining sustained sector growth and the security of food supply.

These threats include:

- Water management – including allocation of water quality and quantity parameters that are key matters for the horticultural sector. Without water, elite and prime land cannot support high value rural production. There are also threats to the rural sector from freshwater quality degradation as a result of urban activities (stormwater runoff, aquifer contamination).
- Land supply – which is affected by changes to the rural urban boundary and land fragmentation. Access to the land resource is paramount for the horticultural sector. We are losing the best of a finite resource including north facing and frost free high production land to urbanisation.
- Infrastructure – the transportation needs of the rural sector include land access and linkages to the market, ports, airport etc. With urban growth comes added pressure on transport networks. There is also pressure on other infrastructure and resources such as gas supplies.

- Permitting – the regulatory regime must be permissive to avoid unreasonable costs and delays in undertaking rural production activities.
- Reverse sensitivity – conflict between resource users and particularly with rural residential land use can result in constraints to production.
- Biosecurity – policy to manage threats must be clear, activity placement must be cognisant of biosecurity issues.

Using Land for Housing

Horticulture New Zealand has a national position on subdivision as it affects rural land. Firstly rural subdivision should not be to support the erection of new dwellings. Secondly the expansion of urban areas (metropolitan and rural/coastal settlement) should not be on to elite or prime land.

Elite land (typically defined as Class 1) is the most versatile, multiple-use land on flat to undulating land. Prime land (or Classes 2 and 3) is also very good prime agricultural and horticultural land with slight (Class 2) or moderate (Class 3) physical limitations to arable use. Classes 1–2 land represent 5% of total New Zealand land areas and Classes 1–3 land represent 14%.

A recent report for the Research Investigations and Monitoring Unit of the Auckland Council identifies that urbanisation disproportionality affects New Zealand's most high class and productive land, reflecting the location of urban settlement and demands for countryside living. Urban settlement in New Zealand has been influenced by a number of factors including topography, aspect and the availability of readily accessible resources (water and areas of food production). Urban growth has typically extended across the easy contour of high class land because of the proximity to urban centres and the ease/cost of extending urban infrastructure.

Notwithstanding the above, Horticulture New Zealand has been successful for many years in restricting greenfield land supply in trying to minimise urban expansion across elite and prime land. Horticulture New Zealand has also been successful in ensuring rural subdivision policy and methods support and do not conflict with rural production.

The position of Horticulture New Zealand has been consistently backed up by science and economic evidence to prove to decision makers that the continued march of urban activities across the rural environment cannot be sustained. There are wider issues around food production and domestic food supply and the risk of shifting community costs into a new area. Horticulture New Zealand will continue to oppose the relaxing of land supply in greenfields areas and inappropriate rural subdivision due to the cruciality of the issue for the sector.

In taking the position it has, Horticulture New Zealand has remained proactive in looking for and providing, constructive suggestions for avoiding conflict and easing the planning processes.

This includes:

- Engage with the industry organisations (not land developers who don't want to grow food any more) about the issues early.
- Define no go areas and provide security they will not be affected by unplanned, opportunistic and sporadic development.
- Allow development at a scale that provides more property titles in areas where land is not prime or elite.
- Encourage mechanisms to remove the latent potential to provide for more planned infrastructure e.g. Transferable Development Right mechanisms etc.
- Review the Rating Act to value land for the purpose it is currently zoned for and remove the opportunistic "right" created by rating land based on it's potential use.
- Have a contested Resource Management Act process for programmed growth areas that takes account of the need to expand in an ordered fashion.

Expanding on the suggestion of defining no go areas, we highlight the 'Auckland Plan' example.

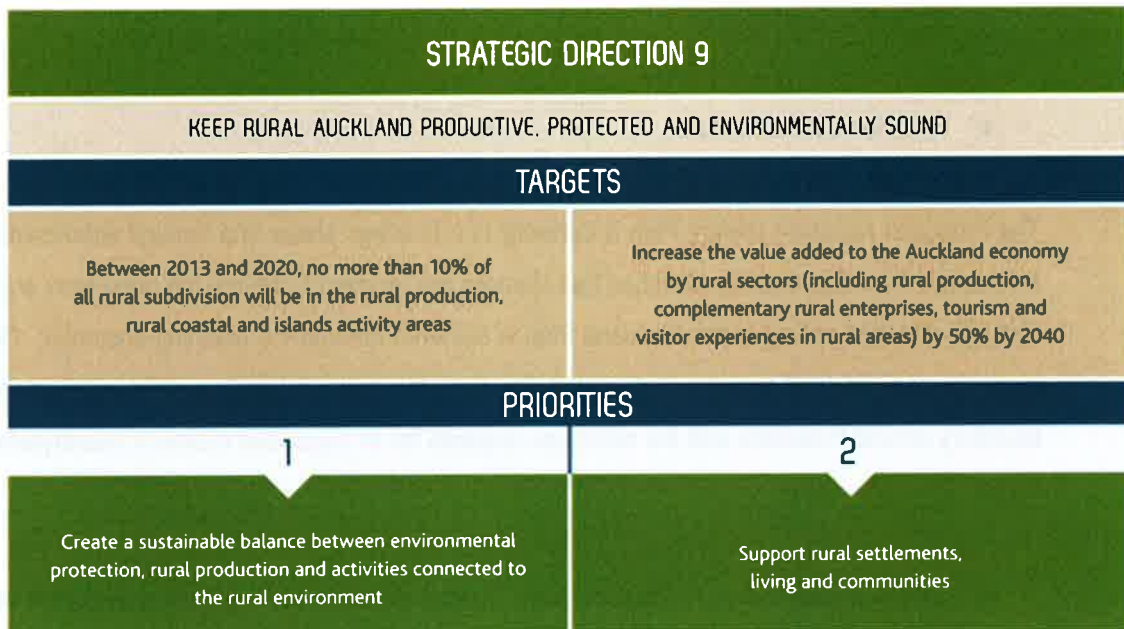
No more so are the issues of using land for housing more relevant than in Auckland where decisions are being made at this moment on the direction of growth for our biggest city. The impact of poor decisions could be catastrophic on the productive capability of nationally significant production land and threatens domestic food security.

Auckland is critical in the national food supply framework. The productive advantage of Auckland is that its north facing frost free areas support vegetable production all year round. Potatoes in particular can be planted in early May and harvested in early October. Most other regions further South do not plant until August and harvest in January. This makes Pukekohe the first in New Zealand to harvest new season potatoes and the sole supplier for New Zealand for three months. When frosts occur throughout the rest of the country the lettuce production in Pukekohe remains unaffected and this too becomes highly sought after. This productive capability is of national significance. Export capacity is important, but without the locally grown domestic supplies, national vegetable food security would be threatened.

Auckland has lead the way in providing a robust strategic direction for growth management through the Auckland Plan. This strategic approach to growth management and the recognition of rural production systems and relationships with urban form and function is supported by Horticulture New Zealand. This is a tool that Horticulture New Zealand considers could be rolled out across the country.

The Auckland Plan provides the strategic direction for Auckland over the next 30 years and provides a basis for aligning the implementation plans, regulatory plans and funding programmes of the Auckland Council. The Auckland Plan is to be implemented through a number of mechanisms including the Proposed Auckland Unitary Plan which replaces the existing Auckland Regional Policy Statement and 13 district and regional plans.

The Auckland Plan is unequivocal on the strategic direction for rural production.



This strategic direction is supported by two key directives related to rural production:

DIRECTIVE 9.1

Ensure that the resources and production systems that underpin working rural land are protected, maintained and improved.

DIRECTIVE 9.2

Develop a regulatory framework that accommodates and encourages productive rural uses, changing activities and associated enterprises.

How the strategic direction and Directives 9.1 and 9.2 are implemented through the PAUP are of critical importance to the horticultural sector. Key issues to address include:

- Recognising Nationally Significant Rural Land.
- Providing for Regionally Significant Rural Production.
- Achieving Economic Development Targets.

- Protecting Food Supply.
- Post Harvest Production.

The Proposed Auckland Unitary Plan is currently in a hearings phase and through submission Horticulture New Zealand has identified that changes are required to ensure the good work and strategic direction set out in the Auckland Plan is achieved through the planning document. Of particular concern (and a matter that relates directly to this topic) is location of the rural urban boundary around Pukekohe and the relentless requests for an expanded choice of countryside living.

- On countryside living, Horticulture New Zealand will continue to oppose a relaxation of rural subdivision methods and any move away from the Auckland Plan target of no more than 10% of new subdivision occurring in rural production areas.
- In terms of the rural urban boundary around Pukekohe, Horticulture New Zealand has presented the attached evidence to highlight that the proposed boundary on the eastern side of Pukekohe Hill will remove nationally significant rural production land from the food production system and compromise food security.

While Horticulture New Zealand has concerns with how the Auckland Plan has been implemented through the Proposed Auckland Unitary Plan, the use of this strategic planning tool to inform planning decisions is a method that could be rolled out across the country and considered at district, regional and national levels by:

- Spatially identifying opportunities and constraints for activities and development.
- Identifying highly valued and regionally significant resources that the policies protect or manage.
- Establishing clear and consistent priorities for resource use and protection by identifying boundaries and limits based on environmental values.

- Establishing priorities for resource use where there are likely to be competing uses, such as competition for land between primary production and urban development.
- Setting rules for regulating land use, subdivision and development.

Conclusion

There are choices available to decision makers on using land for housing, options to avoid compromising elite and prime land and the resources (including freshwater) that support rural production. It is the submitter's opinion that New Zealand is as at a tipping point with planning processes and strong policy guidance and decisions are required to preserve elite and prime land as a non-renewable resource, critical to the national economy and domestic food security.

The point cannot be over stated that if elite and prime land is covered in urban activities then it is lost from rural production.



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