

**BEFORE THE HEARING COMMISSIONERS  
AT CROMWELL**

**IN THE MATTER**

of the Resource Management Act  
1991 (“**RMA**”)

**AND**

**IN THE MATTER**

of the Proposed Plan Change 14 to the  
Central Otago District Plan

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**STATEMENT BY RACHEL SARAH McCLUNG FOR  
HORTICULTURE NEW ZEALAND**

**20 May 2020**

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## QUALIFICATIONS AND EXPERIENCE

1. My name is Rachel Sarah McClung. I am the Environmental Policy Advisor – South Island, with Horticulture New Zealand (**HortNZ**). I manage HortNZ's involvement in South Island regional and district planning processes in regions where fruit and vegetables are grown commercially. I have been in this role since September 2017.
2. I hold a Bachelor of Science from Canterbury University (2000) and a Master of Science in Resource Management (Honours) from Lincoln University (2002). I am a full member of the New Zealand Planning Institute (**NZPI**). I have 18 years of post-graduate planning experience. During this time, I have performed the functions of a local authority planner and consultant planner in both New Zealand and the United Kingdom.
3. My planning experience includes preparing plan changes and s32 analysis, notifying and reporting on plan changes and preparing submissions to national and regional planning documents.
4. Since beginning my role at HortNZ, I have visited growers across New Zealand, including Central Otago, to better understand their horticultural operations and how resource management issues impact them.
5. While I am a qualified Planner and member of NZPI, I am not appearing in the capacity of an expert planner to this hearing panel. My role in this hearing is as HortNZ's representative and advocate.
6. In my role with HortNZ I represent the interests of 5000 commercial fruit and vegetable growing operations across New Zealand, who together grow over 100 different crop types and employ over 60,000 workers. The industry I represent had a domestic and export value of \$5.87 billion in 2019<sup>1</sup>. The HortNZ Vision is *Healthy food for all, forever* and our purposes is *creating an enduring environment where growers thrive*. I am representing these interests in full support of our Summerfruit Industry.

## SCOPE OF EVIDENCE

7. In preparing this statement, I have relied on the following assessments as to how the matters addressed in proposed Plan Change 14 (PC14) will affect horticultural operations:
  - Mr Roger Gibson, Soil and Horticultural Advisor; and

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<sup>1</sup> <https://www.hortnz.co.nz/assets/Annual-Report/HortNZ.AR.19.FinalART.1LR.pdf>

- Ms Lynette Wharfe, Planner.
8. This statement will focus on the issues identified by Mr Gibson and Ms Wharfe, and expands on the horticultural perspective to assist the Hearing Panel's understanding of the implications of PC14 for horticulture in Central Otago.
  9. Key considerations for horticultural activities addressed in this evidence are:
    - a) Horticulture in Central Otago and Cromwell area
    - b) Effects on soil resources, and
    - c) Reverse sensitivity effects.

### **HORTICULTURE IN CENTRAL OTAGO AND CROMWELL AREA**

10. Central Otago is one of the main commercial growing areas in New Zealand for stonefruit and accounts for 59% of planted stonefruit orchards. Other stonefruit regions include Hawkes Bay (31%), north of Auckland, Marlborough, and Canterbury (10% combined)<sup>2</sup>. 85% of New Zealand's cherry orchards are in the Central Otago District. Cherries are a high value crop and Central Otago is a critical cherry growing area.
11. Currently the HortNZ database indicates that there are 82 growers in Central Otago who grow a variety of crops including; stone fruit, pip fruit, berries herbs and vegetables. The dominant crop types are stonefruit (e.g. cherries, apricots, peaches and nectarines), and piffuits (predominantly apples).
12. It should be noted that grapes for wine are also a dominant crop type in Central Otago, however, HortNZ do not represent the viticulture industry as they come under the umbrella of NZWine. Therefore, viticulture operations are not included in the figure above.
13. As can be observed in the rural environment around Cromwell, and within the wider Central Otago area (in particular the Ripponvale Road area), orcharding is a dominant land use. This is plain to see with the multiple orchards in this environment. We are proud that the importance and value of our industry is recognised by the community with a large Summerfruit monument at the entrance to Cromwell town, which in itself has been a tourist attraction.
14. As stated in the HortNZ submission, horticulture is a significant land use in the Cromwell basin area and there are significant economic and social benefits of horticulture to the District that are put at serious risk by the proposed plan change. This point is even more

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<sup>2</sup> <https://www.summerfruitnz.co.nz/industry/regions/>

poignant during the current Covid-19 pandemic as the regions tourism sector has been significantly impacted and communities will rely on the primary sector for employment and to boost the economy.

15. The rural economy supports rural communities and rural production defines much of the rural landscape. Food production values provide a platform for long term sustainability of communities, through the provision of food security. The essential service that horticulture provides has been further highlighted through the Covid-19 response.
16. Summerfruit New Zealand have provided HortNZ with orchard area and production value figures that relate to the orchards in the Ripponvale and wider Cromwell area. There is approximately 217ha of orchards in the Ripponvale area. This is largely planted in cherries, with a small proportion in other fruit. In addition, the 45 South Regional Packhouse supports a further 126ha of cherry plantation within the wider Cromwell growing area.
17. The value of the fruit produced and packed in the Ripponvale area in the 2017/2018 season was approximately \$25.3 million. The 2018/19 and 2019/20 seasons have seen a reduction in yield from the 2017/18 season, and hence profit, of approximately 40%. This is a reflection of a combination of factors; including late heavy frost and rain during harvest.
18. The reduction in yield of the 2018/19 and 2019/20 seasons demonstrate how susceptible yield is to fluctuations. The tools used by orchardists, such as frost fans and bird scarers, are all for the benefit of a high-quality fruit and a high yield. If use of these tools were to be restricted or prohibited, then the profitability of the cherry orchard will be directly impacted.
19. The Ripponvale orchards are a large employer due to the labour-intensive nature of horticulture and employ approximately 50 permanent staff and a further 750 seasonal workers to assist with picking, packing and pruning.
20. Otago will likely face a recession in the months and years to come due to the impacts of Covid-19. The Otago economy has been strongly reliant on international tourism in recent years. Horticulture is an industry that has been successfully contributing to the Otago economy and social fabric for generations, and can continue to do so. However, this significant and valuable industry is very reliant on the operative District Plan to protect and enable current growing operations.

## EFFECTS ON SOIL RESOURCES

21. Land that is ideally suited for orchards or viticulture, will not necessarily be ideal vegetable growing land or even suited to other horticulture such as arable production.
22. HortNZ engaged Roger Gibson to prepare a statement of evidence on the soil resource and for crops and uses which are suited to the environment and climate of the local area in Cromwell Basin.
23. Mr Gibson discusses the requirements for enabling growing in Central Otago in his evidence and explains that there are situations where soils can indeed be 'high class' even though they may not support a range of crops, but are highly suited to a mainstream crop of an area<sup>3</sup>. He provides the example of the soil perfectly suited to Pinot Noir wine grape that is not suited to arable production.
24. He is also of the view that in assessing the potential of the soil to support crop production, other relevant parameters should be considered – heat, frost, irrigation, processing facilities. He states that this is an example of where a soil may not meet criteria that would make it high class elsewhere in New Zealand, but in the context of fruit/grape growing around Cromwell in a semi-arid climate, a different set of properties may make the soils 'high class' in the local context.
25. Soil is a finite resource. Once productive land is converted to residential use, it is lost forever. The availability of suitable horticultural land should be viewed in the New Zealand context. While it could be considered that there is ample potential horticultural land available in the Cromwell basin, this is not the case across New Zealand. The Cromwell Basin has a unique environment and hence why the Summerfruit industry is so well established here.
26. There is significant investment in the Cromwell basin in the form of established orchards and packhouses. It is not possible to simply move these multimillion-dollar operations because a new neighbour moves in and does not like the reality of living in a working rural environment.
27. Ms Wharfe has provided a planning assessment in relation to the relevant planning documents and RMA tests. She establishes that the hearing panel need to consider the proposal in light of the operative policy framework of the Otago Regional Policy Statement (ORPS) and the Central Otago District Plan (CODP); both of which have policy direction for protecting significant soils and soil resources.
28. Ms Wharfe concludes that while PC14 retains some high-class soil for future production, it also enables small lots to be located on areas of

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<sup>3</sup> Evidence of Roger Gibson, para 8.7

high-class soil which will preclude their use by future generations. Therefore, PC14 is not consistent with the objectives and policies of the ORPS and CODP and will have significant adverse effects on the soil resource in the Central Otago District<sup>4</sup>.

29. Careful consideration is required to safeguard the life-supporting capacity of the soils of the subject site, but also ensure that the soils on adjacent highly productive orchards are also safeguarded through avoiding, remedying or mitigating any adverse effects on the environment. As the proposal stands, established orcharding will be significantly impacted and the ability to safeguard the life-supporting capacity of these soils will be compromised.
30. I concur with the conclusions of the officers s42A report that *“the proposal will have significant adverse effects on the soil resource as it will enable the use of a substantial are of land that is suitable for horticultural development (particularly orcharding) for large lot residential subdivision and development. We acknowledge in this context that the land suitable for horticultural development for orcharding is a finite resource; and the that the loss of this potential to utilise this land for these purposes is a significant adverse effect.”*<sup>5</sup>

#### **RURAL ENVIRONMENT - REVERSE SENSITIVITY**

31. PC14 does not adequately address the actual and potential reverse sensitivity effects on the surrounding orchards, and it fails to adequately assess the impact of the proposal on these significant horticultural operations as a result.
32. The established orcharding in the Cromwell basin is labour intensive and New Zealand growers work hard to grow the best produce in the world. Producing the best fruit and vegetables means long hours, many workers, loud noise and sometimes chemical sprays. These effects are acceptable within a rural environment and plan provisions generally provide for them. Residential dwellers expect a different level of amenity and when the urban-rural interface is not managed appropriately, reverse sensitivity issues arise.
33. Where there is fragmentation and urban expansion onto productive areas, there are reverse sensitivity effects that can be extremely detrimental to maximising productive horticultural land use. The lawful use of frost fans and bird scarers generate the majority of complaints and these complaints impact growers social license and ‘right to farm’.

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<sup>4</sup> Evidence of Lynette Wharfe, Para. 11.43

<sup>5</sup> Officers' s42A report, page 49

34. The 'right to farm' is the ability to continue a current lawfully established farming activity. Lawfully established in this context comes with meeting obligations of all relevant government regulation including; health and safety, employment, food safety, agrichemicals, building consents, water permits, resource consents, and the list goes on.
35. Social license goes beyond a 'right to farm'. It is the community's perceptions of the acceptability of an activity and its' operations. Therefore, this is not just complying with the law, social license is 'in the eye of the beholder', it is 'perception', it is 'value based', and often not evidence based, but experience based. Social license is influenced by public values and perceptions of whether an industry or organisation is credible and can be trusted.
36. Loss of social license results in complaints to any number of perceived regulators – regional and district councils, district health boards, industry bodies, markets, etc. as well as the orchardist themselves and media. This can result in the baseline 'right to farm' being moved through new regulation to address perceived concerns, or the grower facing such pressure that they cease the operation altogether.
37. It is therefore inherent, that in order for growers to maintain their baseline 'right to farm', they also need to maintain their social license. Without this, growers are unable to sustainably manage their operations to provide for their social and economic well-being.
38. Social license can be eroded by incompatible land uses and reverse sensitivity. Growers are well aware of what their potential social license loss leaders could be – bird scarers, frost fans, artificial shelter and chemical sprays. All the methods they use to ensure a high-quality yield. These methods are critical to the industry and without them a zero yield is likely. It is for this reason HortNZ are concerned about the development anticipated by the plan change.
39. I believe that our growers and their operations currently have a good reputation in and around Cromwell Basin, and that the social license is there. But 160 residential households in the Ripponvale area will likely erode this social license and in turn our growers right to farm. This is an unacceptable risk to the social and economic well-being of our significant and valuable established industry.
40. In Ms Wharfs assessment, she concludes that the proposal will result in a loss of rural character, diminishing the values associated with the rural area, and that the development is not compatible with the surrounding environment, including the amenity values of the adjoining properties<sup>6</sup>. As demonstrated in her evidence, the

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<sup>6</sup> Evidence of Lynette Wharfe, Para. 9.42

proposal fails to meet the objectives and policies of the ORPS and the Operative Central Otago District Plan in terms of maintaining the amenity values and rural character of the Ripponvale area, largely because it is promoting a residential development within the Rural Resource Area<sup>7</sup>.

41. Ms Wharfe also states that while the mitigations proposed by the Proponent in respect of noise assist in reducing the potential effects, it cannot be certain that concerns of any potential noise sensitive residents within the proposed development in the future will be provided for in the District Plan. She also points out that reverse sensitivity arising from recreational users has not been considered, nor provided for, and concludes that the methods do not adequately address potential reverse sensitivity effects that could result from noise, agrichemical use, outdoor burning.
42. In the s42A report, Mr Whitney has analyzed the anticipated reverse sensitivity effects with respect to the PC14 proposal and stated that these effects would be significant<sup>8</sup>. I concur with this conclusion that it is likely that the introduction of up to 160 dwellings, many of which will be on large residential allotments, will result in a significant adverse effect in terms of reverse sensitivity.

## **CONCLUSION**

43. Orchardring is a significant land use in the Cromwell area and wider Central Otago. It provides employment opportunities and supports the economy. In particular, cherries are a high value crop that thrive in the Cromwell Basin due to the ideal characteristics of the land. 85% of New Zealand cherries are grown in Central Otago.
44. High quality premium grade cherries cannot be grown just anywhere. Growers rely on the provisions of the District Plan to uphold their right to lawfully operate and to ensure that sufficient land is managed and protected for economic production.
45. If PC14 were to be approved established orcharding would be significantly and irreversibly impacted, and the ability to safeguard the life-supporting capacity of the orchard soils will be compromised.
46. We concur with the conclusions reached in the s42A report and seek that PC14 is refused.

**Rachel McClung**

**20 May 2020**

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<sup>7</sup> Ibid, Para 9.43

<sup>8</sup> Officers s42A report, page 41