

# **SUBMISSION ON PC14 – Shannon Farm**

18<sup>th</sup> December, 2019

**TO:** Central Otago District Council

**NAME OF SUBMITTER:** Horticulture New Zealand



## **CONTACT FOR SERVICE:**

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## Introduction

Horticulture New Zealand (HortNZ) thanks Central Otago District Council for the opportunity to submit on the proposed private plan change 13 and welcomes any opportunity to work with the Council and to discuss our submission.

HortNZ could not gain an advantage in trade competition through this submission.

HortNZ wishes to be heard in support of our submission and would be prepared to consider presenting our submission in a joint case with others making a similar submission at any hearing.

The details of HortNZ's submission and decisions we are seeking from Council are set out below.

## Background to HortNZ

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

HortNZ advocates for and represents the interests of 5000 commercial fruit and vegetable growers in New Zealand, who grow around 100 different crop types and employ over 60,000 workers. Land under horticultural crop cultivation in New Zealand is calculated to be approximately 120,000 hectares.

The horticulture industry value is \$5.87 billion and is broken down as follows:

<b>Industry value</b>	<b>\$5.87bn</b>
Total exports	\$3.6bn
Total domestic	\$2.27bn

For the first time New Zealand's total horticultural produce exports in 2017 exceeded \$3.44bn Free On Board value, 83% higher than a decade before.

It should also be acknowledged that it is not just the economic benefits associated with horticultural production that are important. 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.

HortNZ's mission is to create an enduring environment where growers prosper. This is done through enabling, promoting and advocating for growers in New Zealand to achieve the industry goal (a \$10 billion industry by 2020).

HortNZ has worked with Summerfruit New Zealand in preparing this submission, being our most impacted Product Group<sup>1</sup>.

## HortNZ's Resource Management Act 1991 Involvement

On behalf of its grower members HortNZ takes a detailed involvement in resource management planning processes around New Zealand. HortNZ works to raise growers' awareness of the Resource Management Act 1991 (RMA) to ensure effective grower involvement under the Act.

The principles that HortNZ considers in assessing the implementation of the RMA include:

- The effects based purpose of the RMA;
- 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.

<sup>1</sup> <https://www.hortnz.co.nz/about-us/product-groups/>

## Horticulture in the Central Otago District

### The Current State

There are approximately 76 growing operations in the Central Otago District. The combination of soil and climate means that Central Otago is especially suited to growing high quality crops. Stone fruit such as; cherry, apricots, peaches and nectarines, and pipfruits (predominantly apples) are dominant crops.

#### *Cromwell Basin and Ripponvale area*

The Cromwell basin is an attractive place for orcharding due to the combination of soils, relatively flat land, climate, access to water and labour.

The plan change site is in the immediate vicinity of significant orchards and the 45 South regional packhouse. There is approximately 217ha of orchards in the Ripponvale area. This includes 82ha of cherries and 135ha of other fruit namely; cherry plums, plums, peaches, nectarines, apricots, apples and pears. Image 1 below shows the location of orchard types within the Ripponvale area.



**Image 1 – Horticultural land use in the immediate environment of PC14 site**

The value of the fruit produced in the Ripponvale area in the 2017/2018 season was approximately \$19.2 million. Due to frost this value reduced by approximately 40% to \$11.52 million in the 2018/2019 season.

In addition, the Ripponvale packhouses supports a further 147ha of cherry plantation with in the wider Cromwell growing area, with a value of approximately \$7 million in the 17/18

growing season, and \$4.2 million in the 2018/2019 season. Therefore, the overall value of fruit packed in Ripponvale was \$26.2 million in the 17/18 season and \$15.72 million in the 18/19 season. This variance in value shows the industries susceptibility to environmental factors and the importance with frost control mechanisms that without a zero yield is highly likely.

Horticulture is a significant land use in the Cromwell basin area. There are significant economic and social benefits of horticulture to the District that are put at serious risk by the proposed plan change.

### **Food security and the role for Central Otago District**

Population growth not only increases demand on housing supply, it also generates and necessitates an increased demand on food supply. There is a general assumption that New Zealand is the land of plenty and we will always have enough locally-grown food to feed our population, supplemented by imported food where there is demand. But things are changing fast.

Prime fruit and vegetable growing land is being squeezed by rapid growth. Increasing urbanisation places additional pressure on, and competition for, the natural resources and infrastructure also critical for growing fruit and vegetables.

Current projections around New Zealand's expected population increase and annual food volumes available for consumption in New Zealand show that domestic vegetable supply will not be able to sustain our future population consumption needs.<sup>2</sup> When supply is short and demand high, prices are subject to wide variations. This can make healthy food unaffordable for many New Zealanders and often hits vulnerable communities the hardest.

HortNZ have made projections around annual food volumes available for consumption in New Zealand<sup>3</sup>. With New Zealand's population expecting to reach 5,045,000 during 2020 (based on annual growth between 1.5-2%), domestic food supply will not be able to sustain our future population consumption needs. This highlights the importance of food security, land production and future-proofing the availability of resources to supply our growing population.

Production of quality fresh produce requires access to versatile rural production land. There are a number of factors that contribute to versatile land including soil quality, climate, access to water, access to transport linkages, labour and markets and an enabling regulatory framework.

As well as a high demand export market, Horticultural production within the Central Otago District contributes to the food supply for local communities and the rest of New Zealand. Accordingly, the Central Otago District Council needs to make appropriate planning decisions to ensure continued food production to meet current and future food demand.

### **Urban encroachment and Horticulture**

The supply and use of land suitable for quality horticultural production is under pressure from urban development across New Zealand. Land fragmentation and reverse sensitivity issues are inhibiting horticultural operations. Where horticulture is established on production land, a considerable limiting factor to high production of quality fresh produce are the reverse sensitivity effects of urban encroachment.

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<sup>2</sup> Horticulture New Zealand. (2017). *New Zealand domestic vegetable production: the growing story*. <http://www.hortnz.co.nz/assets/Media-Release-Photos/HortNZ-Report-Final-A4-Single-Pages.pdf>

HortNZ 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. It is our experience that a key planning consideration that is often overlooked is the reverse sensitivity effects on horticulture from urban encroachment, the value of soils as a resource and rural character.

#### *Reverse sensitivity*

Reverse sensitivity occurs when occupants of a new activity or use (for example, a lifestyle block or new urban neighbourhood) complain about the effects of an existing, lawfully established activity or use (for example, noise or smell from industry or farming). This can have the effect of imposing economic burdens and operational limitations on the existing activity or use thereby reducing their viability, or even cause the operation to cease entirely.

Horticulture is labour intensive and New Zealand growers work hard to grow the best produce in the world. Producing the best fruits and vegetables means long hours, many workers, loud noise (frost fans, bird scarers, motor bikes etc) and sometimes chemical sprays. These effects are acceptable within a rural environment and Plan provisions generally provide for them. Unfortunately, reverse sensitivity issues arise when urban dwellers expect a different level of amenity to what they experience when living on the urban-rural interface. This is a result of both inappropriate development and the interface not being managed appropriately.

It should be noted that the Central Otago climate with cold winters means that chemical sprays can sometimes be avoided, as bugs and disease are killed in heavy frosts and long cold winters.

Of concern is that no noise assessment has provided with the PC14 application to determine the reverse sensitivity effect of the proposed mitigations on orcharding activities on nearby land. HortNZ are of the view that appropriate reverse sensitivity mitigation should be provided within the urban land being developed, and not within productive rural land. However, some noise effects will not be able to be mitigated through development design or amenity planting. Development would therefore lead to restrictions on existing orcharding in the area if the plan change was approved.

#### *Significance of productive land*

Across New Zealand land has been developed for housing, to the detriment of viable horticultural operations. This issue has been identified by Minister David Parker, Minister for the Environment. The Our land 2018 report<sup>3</sup>, released by the Ministry for the Environment and Stats NZ confirms the need for more action to improve land management. This report on the state of the country's land has highlighted the impact of urban sprawl. The report acknowledges that fragmentation can also be a pressure on urban fringes: in 2013, lifestyle blocks occupied 10 percent of New Zealand's most versatile land and that this may block future options for agricultural production.

To prevent the loss of more of New Zealand's' productive land and to promote its sustainable management, the Ministry for Primary Industries and the Minister for the Environment proposed the National Policy Statement for Highly Productive Land (NPS-HPL) in October 2019. Submissions were invited.

The overall purpose of the proposed NPS-HPL is to improve the way highly-productive land is managed under the Resource Management Act 1991 (RMA) to:

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<sup>3</sup> <https://www.mfe.govt.nz/sites/default/files/media/Environmental%20reporting/Our-land-2018-at-a-glance-final.pdf>

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

The proposed NPS-HPL recognises that there are other factors in addition to soil quality that determine the productive capacity of land for primary production. While most local authorities define highly productive land based on the Land Use Capability Classification (typically LUC 1-3), there are other types of land that can be highly productive. These may include land types that are important for viticulture or stone fruit production. The proposed NPS includes requirement for local authorities to identify highly productive land based on a set of defined criteria (Soil Capability, climate, water availability, and area of land), as well as discretionary criteria to allow for regionally specific land types to be protected<sup>4</sup>.

HortNZ undertook a horticultural mapping exercise with growers at the request of Council in 2018. This has informed the Cromwell Masterplan. The PC14 site subject is within the mapped horticultural land area, and is also outside areas identified on the Cromwell Spatial Plan for rural lifestyle development.

Furthermore, in considering the effects of PC14 on the soil resource, the following definitions need to be considered:

- partly operative Otago Regional Policy Statement (ORPS) 1998 – *high class soils*
- partly operative Otago Regional Policy Statement 2019 – *significant soils*
- Central Otago District Plan (CODP) – *soil resource and high class soils*

The PC14 section 32 assessment considers the definition of 'high class soil' in the ORPS 1998, but does not adequately consider the consideration of 'significant soil' in the Partially Operative RPS 2019. In addition, the assessment of the soil resource (PC14: Appendix L) uses criteria for high class soil that are inconsistent with determinants for 'high class soil' in Central Otago, based on the ORPS definition. Therefore, the s32 does not adequately consider this matter.

Horticulture in Central Otago is significant. Much of this significance is dependent on the use of natural resources in Central Otago for that production, of which soils are a part. Based on this significance, the productive soils in Central Otago should be classed as significant for primary production, regardless of whether they are Class I, II or IIIe.

#### *Rural Character*

The Cromwell Master Plan seeks that development is consistent with rural character. The CODP seeks that development avoids, remedies or mitigates adverse effects on amenity values of the rural environment and sets out lot sizes for rural subdivision which is a key determinant for rural character.

PC14 seeks considerably smaller lot sizes and would result in higher density with a different character to that provided for by the operative CODP. While the ME report (PC14: Appendix G) compares the proposed lot sizes with the Rural Residential Zones. The Shannon Farm area is clearly rural. 71% of the development will be 4000sqm or less. Increasing the density and enabling residential lifestyles development will impact the established rural character on PC14 site and within the surrounding environment.

<sup>4</sup> <https://www.mpi.govt.nz/dmsdocument/37065-proposed-national-policy-statement-for-highly-productive-land-cabinet-paper>

In addition, except where directly adjacent to the rural zone, the boundary setback distances proposed by PC14 are 6m in proposed RL1, 2, and 3 zones; and 10m in proposed RL4 and 5 zones. This is significantly reduced compared to the current 25m for the rural area side and rear yard, and 10m for Rural Residential. This will lead to more intensive development than currently exist within the rural resource area and will adversely affect rural character. Consideration needs to be given the complete rural context, not just the character within the application site, but also the impacts on the surrounding environment. The s32 assessment is deficient in this regard. P14 will not maintain the rural character, nor amenity, of the Rural Resource Area as directed by the CODP.

*Conclusion*

PC14 will adversely affect the ability of the rural resource to be used for its intended purpose as set out in the Otago Regional Policy Statement and Central Otago District Plan, if approved.

## SUBMISSION

HortNZ oppose PC14 – Shannon Farm for the reasons outlined above and for following reasons:

- i. PC14 does not meet the sustainable management purpose or principles of the RMA.
- ii. The terminology of the proposed provisions of PC14 are not in accordance with the New Zealand Planning Standards; specifically, Standard 8 – Zone Framework Standard.
- iii. PC14 does not give effect to the relevant Objectives and Policies of the operative Otago Regional Policy Statement 1998; in particular – Objectives 5.4.1, 5.4.2 and 9.4.3 and supporting Policies 5.5.2, 5.5.3 and 5.5.4.
- iv. PC14 does not give effect to the relevant Objectives and Policies of the partially operative Otago Regional Policy Statement 2019; in particular – Objectives 3.2, 4.5 and 5.3 supporting Policies 3.2.17, 3.2.18, 4.5.1, 4.5.3 and 5.3.1.
- v. PC14 is contrary to the relevant Objectives and Policies of the Central Otago District Plan; in particular – Objectives 4.3.1, 4.3.7 and 4.3.9, and supporting Policies 4.4.2, 4.4.6, 4.4.8, 4.4.9 and 4.4.10.
- vi. The supporting documentation for PC14 did not include a noise assessment to assess the reverse sensitivity impacts on the summerfruit industry that will be created by the proposal.
- vii. The soil assessment does not address the issue of significant soils as identified in the ORPS (2019) Policy 3.2.17, nor address the fact that significant soils also include the degree of significance to primary production.
- viii. The assessment of environmental effects does not adequately assess the actual and potential reverse sensitivity effects on horticulture and fails to adequately assess the environmental, economic and social impact on significant horticultural operations as a result of the proposal.
- ix. PC14 is inconsistent with the Cromwell Master Plan, specifically Objective 7. While the focus of the Master Plan is generally of the Cromwell Township, the wider environs and rural environment are also addressed. The PC14 site is not identified in the Spatial Plan for rural lifestyle development. This location is inappropriate and would be to the detriment of the established Summerfruit Industry.

We also note that the timing of notification significantly disadvantaged Summerfruit growers, as this was during their busiest time of year. HortNZ will therefore work with levy payers to enable their right to speak to the HortNZ submission at the hearing if they wish to do so.

### **Decision Sought:**

Decline Plan Change 14 in its entirety.

We wish to present our submission at the hearing. Please do not hesitate to contact us if you have any queries.

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Dated: 18<sup>th</sup> December 2019