

# SUBMISSION ON

# Primary Sector: Highly Productive Land

26 July 2025

**To:** Ministry for the Environment

**Name of Submitter:** Horticulture New Zealand

**Supported by:** Hawkes Bay Fruitgrowers' Association, Hawke's Bay Vegetable Growers Association, NZ Apples & Pears, NZ Kiwifruit Growers, Tomatoes NZ, Tararua Growers Association, Pukekohe Growers Association

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## Our submission

Horticulture New Zealand (HortNZ) thanks the Ministry for the Environment for the opportunity to submit on Package 2: Primary Sector and welcomes any opportunity to continue to work with the Ministry for the Environment and to discuss our submission.

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

# HortNZ's Role

## Background to HortNZ

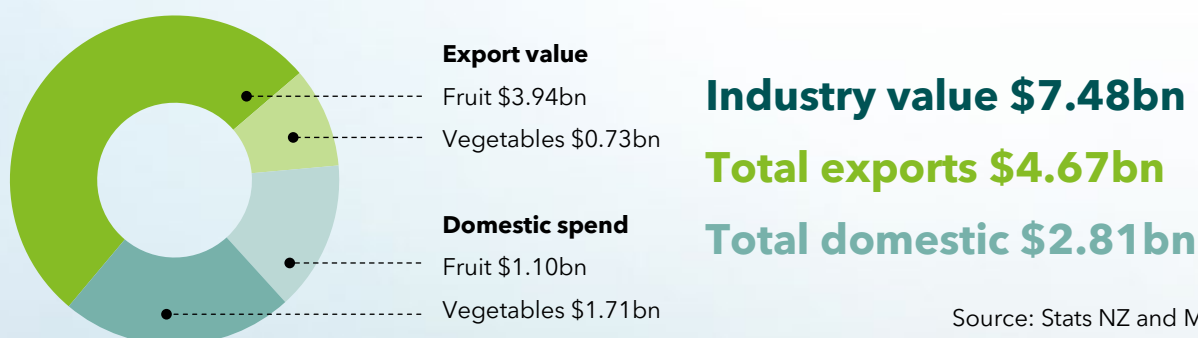
HortNZ represents the interests of approximately 4,500 commercial fruit and vegetable growers in New Zealand who grow around 100 different fruits and vegetables. The horticultural sector provides over 40,000 jobs.

There are approximately 80,000 hectares of land in New Zealand producing fruit and vegetables for domestic consumers and supplying our global trading partners with high quality food.

It is not just the direct economic benefits associated with horticultural production that are important. Horticulture production provides a platform for long term prosperity for communities, supports the growth of knowledge-intensive agri-tech and suppliers along the supply chain, and plays a key role in helping to achieve New Zealand's climate change objectives.

The horticulture sector plays an important role in food security for New Zealanders. Over 80% of vegetables grown are for the domestic market and many varieties of fruits are grown to serve the domestic market.

HortNZ's purpose is to create an enduring environment where growers prosper. This is done through enabling, promoting and advocating for growers in New Zealand.



## 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.



# Executive Summary

## Why protect highly productive land

HortNZ's strategic vision is for the present and future strength of the horticulture industry built on protecting highly productive land and *enabling the use* of that land for primary production. Protecting and enabling the use of fertile soils for horticulture in key areas supports the Government's objective to double export value. It also supports the ongoing availability of fresh produce at affordable prices for New Zealanders. Access to fresh produce underpins public health. A resilient, regionally diverse food system is essential for climate adaptation and resilience to natural hazards. Enabling the use of highly productive land for food production is a matter of national interest for the productive economy, food security, public health and climate resilience.

## Definition of highly productive land

Land Use Capability classes (LUC) are a blunt way of measuring the potential productivity of land. The versatility of the land is reliant on biophysical criteria and the built environment, including soil type, topography, cohesion with other productive land, climate, access to water, ability to discharge, infrastructure, proximity to labour, and proximity to a concentration of similar activities to share ancillary infrastructure like packhouses. Not all these criteria are needed, but they can be considered in balance to identify areas that are truly highly productive. Not all LUC 3 land is highly productive, but much of it *is* highly productive for growing fruits and vegetables, and even some land with higher LUC classes *is* highly productive for horticulture. This land is still at risk from housing and lifestyle development.

## Special Agricultural Areas

HortNZ supports the concept of Special Agricultural Areas (SAA's), where underlying use of highly productive land is enabled. We would like to see policy direction that requires SAA's to be identified and managed to maintain and enhance the productivity of primary production.

We think that recognising areas for protection based on the sum of criteria that make land highly productive, not just soil type and climate, is a positive step for a more effective and targeted National Policy Statement for Highly Productive Land (NPS-HPL).

HortNZ seeks that the Heretaunga Plains are named as an interim SAA. When spatial mapping occurs under the future Planning Act, growers in other horticultural hubs across New Zealand may be interested in being considered for SAA's once the implications are clearer.

Growers in Horowhenua and Pukekohe, while appreciative of the Government's intentions, do not want to be part of SAA's at this time because for the most part, vegetables are grown on LUC 1 and 2. However, they are likely to support SAA's once the definition of highly

productive land recognises the range of criteria that make land productive and the policies to enable growing in SAA's are clearer.

Under the future Planning Act, the following criteria should be balanced to determine SAA's through spatial planning, recognising that all criteria need not be met for all SAA's. SAA's should not be designated without thorough consultation with growers.

Criteria for future SAA's:

- (a) Key food producing area
- (b) Combination of climate and soil factors which support horticulture
- (c) Underlain by an aquifer, served by water storage, or receive sufficient rainfall for horticultural production
- (d) Important for domestic or international markets
- (e) Important for domestic food supply and/or high value food and beverage production
- (f) Of regional or national economic importance
- (g) Consistent with the objective of the NPS-HPL (to protect highly productive land for use in land-based primary production, both now and for future generations)

We have a vision of a future network of SAA's mapped based on nuanced criteria responsive to local context that provide regional resilience to our national food production system. They will protect the future productive economy and support our national goal to double export value.

## **The use of highly productive land must be enabled**

Protecting highly productive land must be paired with policies prioritising and supporting its use for primary production. If land cannot be used for growing because of unworkable regional policy, and it cannot be used for housing because of the NPS-HPL, it will become a stranded asset.

National direction making vegetable growing and crop rotation a permitted activity that overrides regional rules is needed before protection for highly production land will be fully supported in vegetable growing areas for this reason. If national direction for vegetables that fully enables the use of land for growing vegetables is made operative, industry views in Pukekohe and Horowhenua on SAA's may change. Our position on SAA's should be read alongside our [submission on national direction for vegetable production](#) because these issues are deeply intertwined.

Fruit production also needs to be enabled through stringent management of reverse sensitivity effects and district planning rules which support the use of artificial crop protection structures, crop support structures, bird scaring devices and frost fans. Fruit production also needs access to water for irrigation.

## Proposals to remove protections for LUC 3

HortNZ does not support the wholesale removal of LUC 3 from the interim nor long-term mapping of highly productive land. Recognising that not all LUC 3 has a high productive capacity, we do support changing the way LUC 3 is managed and defined. Some LUC 3 is truly highly productive. Therefore, we seek the following policies:

- The Heretaunga Plains are designated as an interim SAA where LUC 3 still has the protections of the NPS-HPL,
- Councils retain the option to include LUC 3 or higher into their mapping of highly productive land based on a broader definition of productive capacity that considers potential economic output and domestic food supply,
- Where LUC 3 is not included in the interim definition of highly productive land, lifestyle and subdivision on LUC 3 is managed subject to an assessment,
- Policies pave the way for horticultural areas to be identified and protected as SAA's through nuanced and context-specific mapping under the Planning Act with a national process that involves thorough grower consultation,
- Policy directs consideration of a wider range of criteria that make land productive when detailed mapping of highly productive land occurs through spatial planning,
- The reverse sensitivity policies within the NPS-HPL are strengthened and require developers to include spatial setbacks or equally effective reverse sensitivity mitigations at the interface with highly productive land,
- The policies that enable the use of highly productive land for primary production are strengthened, and
- Regional councils as well as district councils are directed to enable the use of highly productive land for primary production through water abstraction and discharge allocation.

*Table 1: Immediate policy recommendations and those suited to RM3*

Policy under NPS HPL	Policy under the future Planning Act
<ol style="list-style-type: none"> <li>1. Retain protection for LUC 1 and 2</li> <li>2. Increase flexibility for managing development on LUC 3</li> <li>3. Identify an interim named SAA on the Heretaunga Plains where LUC 3 has full NPS-HPL protections</li> </ol>	<ol style="list-style-type: none"> <li>1. Require detailed highly productive land mapping based on more nuanced criteria and a definition of productive capacity that includes potential for economic output and domestic food supply</li> <li>2. Map SAA's based on defined criteria through a process that prioritises feedback from growers</li> </ol>

Policy under NPS HPL	Policy under the future Planning Act
<ul style="list-style-type: none"> <li>4. Require developers to include a setback or alternative method to manage reverse sensitivity effects at the interface with highly productive land</li> <li>5. Require regional councils, as well as district councils, to enable the use of highly productive land for primary production</li> </ul>	<ul style="list-style-type: none"> <li>3. Allow development on LUC 1 and 2 where its productive use is severely constrained</li> <li>4. Allow for more detailed site-specific mapping to be used in consenting decisions</li> </ul>

# Submission

## 1. Horticulture and highly productive land

Horticulture is New Zealand's third largest primary sector export, reaching \$8.5 billion in the year ending 30 June 2025 (including viticulture) and surpassing previous forecasts.<sup>1</sup> With 19% annual growth in 2025, horticulture is the fastest growing primary industry sector.

Outdoor fruit and vegetable production depends on fertile land, a suitable climate, access to water, sufficient nutrients, labour, energy and the ability to transport produce to market. These factors combined determine whether land is productive for growing healthy food.

Horticulture often occurs on highly productive land near towns and cities. Historical trends show continuous loss of prime food growing land to housing. The peri urban areas where horticultural crops were grown in the mid-1900s are now mostly subdivisions.<sup>2</sup>

When housing is built next to horticultural operations, new residents may not have appropriate expectations for the aesthetic, sounds, smells, sprays and traffic movements of a working rural environment. Their complaints frequently restrict how growers operate. To be productive, highly productive land must be protected from reverse sensitivity effects (the complaints made by new neighbours) and supported by the ability to discharge and access to water where irrigation/frost protection is required for productivity.

There are two dominant schools of thought regarding protection of highly productive land within the industry. One school of thought is that property rights of grower landowners must be upheld, so they can make decisions for their land as they see fit. The second focuses on the long-term strategic value of highly productive land to enable New Zealand to double exports, underpin a resilient, productive economy and produce sufficient fresh fruits and vegetables for domestic supply. This view also considers the ability of future growers to access viable land. HortNZ's strategic vision is for the present and future strength of the industry built on protecting highly productive land and *enabling the use* of that land for primary production.

## 2. Limitations of Land Use Capability as the sole criteria for measuring potential productivity of land

Land Use Capability classes (LUC) are a blunt way of measuring the potential productivity of land. One reason is that the national mapping scale means that land might have a different classification at a property-scale. The second is that the versatility of the land is reliant on a range of criteria, including a combination of:

- soil type,

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<sup>1</sup> MPI. [Situation and Outlook for Primary Industries](#). June 2025.

<sup>2</sup> NZIER. 2024. [Making the case for vegetable production in New Zealand](#). A report for Horticulture New Zealand.

- topography,
- cohesion with other productive land,
- climate,
- access to water,
- ability to discharge
- infrastructure,
- proximity to labour, and
- proximity to a concentration of similar activities to share ancillary infrastructure like packhouses.

Not all of these criteria are needed, but they can be considered in balance to identify areas that are truly productive.

In this submission, we make policy recommendations in the framework of LUC because we recognise that this is the precedent methodology in the NPS-HPL. However, our true preference would be a nuanced mapping system that is responsive to local context and recognises all of these diverse criteria and the actual, site-specific productivity of land. We see this being achievable through spatial planning under the future Planning Act and future zones for SAA's that use these nuanced criteria. We also see an opportunity for individual consent decisions to rely on property-specific information.

### **3. Policy under the NPS HPL**

#### **3.1. Managing LUC 3 differently to LUC 1 and 2**

HortNZ recognises that the original NPS-HPL took a blunt approach to mapping highly productive land, and not all LUC 3 land is highly productive for horticulture. However, much of it *is* productive for growing fruits and vegetables, and even some land with higher LUC 3 classes *is* highly productive for horticulture. This land is still at risk from housing and lifestyle development.

HortNZ does not support the wholesale removal of LUC 3 from the interim mapping of highly productive land. Recognising that not all LUC 3 has a high productive capacity, we do support changing the way LUC 3 is managed and defined. Some LUC 3 is truly highly productive. Therefore, we seek the following policies:

- The Heretaunga Plains are designated as an interim SAA where LUC 3 still has the protections of the NPS-HPL,
- Councils retain the option to include LUC 3 or higher into their mapping of highly productive land based on a broader definition of productive capacity that considers potential economic output and domestic food supply,

- Where LUC 3 is not included in the interim definition of highly productive land, lifestyle and subdivision on LUC 3 is managed subject to an assessment,
- Policies pave the way for horticultural areas to be identified and protected as SAA's through nuanced and context-specific mapping under the Planning Act with a national process that involves thorough grower consultation,
- Policy directs consideration of a wider range of criteria that make land productive when detailed mapping of highly productive land through spatial planning occurs,
- The reverse sensitivity policies within the NPS-HPL are strengthened and require developers to include spatial setbacks or equally effective reverse sensitivity mitigations at the interface of highly productive land,
- The policies that enable the use of highly productive land for primary production are strengthened, and
- Regional councils as well as district councils are directed to enable the use of highly productive land for primary production through water abstraction and discharge allocation.

### **3.2. Enable the use of highly productive land for primary production**

While the NPS-HPL currently includes policies which direct territorial authorities to enable the use of highly productive land for land-based primary production, growers' experience is that they are not yet seeing any enablement from district councils and that the policy direction of regional councils is actively constraining their ability to use productive land for a productive purpose.

Enabling policy looks like:

- Strict management of reverse sensitivity including direction requiring developers to incorporate spatial buffers or equally effective mitigations like shelterbelts (which will be more appropriate in some growing areas than others).
- Provisions that support the use of normal horticultural structures and activities on highly productive land including artificial crop protection structures, crop support structures, frost fans and bird scaring devices.
- Water allocation frameworks that seek to provide for productive use of highly productive land, prioritising a reliable supply of water.
- Ensuring rules are appropriate for the activities they seek to regulate - including discharge allocation frameworks that are achievable and reasonable for vegetable production, best delivered through national direction for vegetables.

### **Outcomes sought:**

Regional councils as well as district councils must be directed to enable the use of highly productive land for primary production through water abstraction and discharge allocation.

National direction for vegetables makes vegetable growing, including crop rotation, a permitted activity nationally.

### **3.3. Identify interim named Special Agricultural Area on the Heretaunga Plains**

There are two main opportunities to identify SAA's:

1. Immediate designation of named SAA's to protect LUC 1-3 land now. HortNZ seeks that the Heretaunga Plains are granted this protection.
2. Identification through spatial planning under RM 3 based on listed criteria, with the purpose of maintain and enhance the productivity of primary production in SAA's . HortNZ seeks that growers are thoroughly consulted about whether they want SAA's at that stage.

**Outcome sought:** HortNZ seeks an interim named Special Agricultural Area on the Heretaunga Plains in Hawke's Bay.

This should include cohesive LUC 1-3 and the unique higher-class soils that support high value food and beverage production.

Growers on the highly productive Heretaunga Plains in Hawke's Bay seek protection through an interim Special Agricultural Area. We seek that LUC 3 will be protected from inappropriate subdivision or development in this Special Agricultural Area until detailed spatial planning occurs under the future Planning Act.

The Hawke's Bay is a powerhouse of export horticulture with strong contributions to domestic food supply. It is also facing imminent urban growth pressure on the highly productive Heretaunga Plains with a history of restrictive reverse sensitivity pressures. An SAA is needed to enable the ongoing economic production of this key growing region.

Hawke's Bay is the heart of the New Zealand apple and pear industry, where over 60% of production takes place. The Hawke's Bay apple and pear industry contributed \$1.3 billion in total economic impact this year, growing even faster than the industry nation-wide, increasing its Gross Domestic Product (GDP) contribution by 37% year-on-year and employing over 7,000 people.<sup>3</sup> The industry is the third highest ranked for its contribution to regional GDP in Hawke's Bay.<sup>4</sup> The industry's rapid recovery from Cyclone Gabrielle

<sup>3</sup> [Apple and pear industry hits \\$1 billion in revenue for the first time - New Zealand Apples & Pears](#)

<sup>4</sup> Martin Jenkins. (2024). ['Economic contribution of the New Zealand Apple and Pear industry 2024'](#)

shows its strength and resilience. It would be a waste of the significant investment that went into building back better from that disaster if the most productive growing land was given over to housing.

Hawke's Bay is also home to the bulk of the export squash industry, which has seen annual export value growth of 30%.<sup>5</sup> Japan is the most valuable market for buttercup squash, followed by South Korea with market access recently achieved to Vietnam. Squash, process vegetables (sold in cans or frozen), sweet corn and onions are also grown in the region at scale for domestic and export markets.

The Hawke's Bay has 43,996 hectares of LUC 1 and 2 land. Indicative mapping commissioned by HortNZ shows that there an addition 14,774 hectares of LUC 3 land on the Heretaunga Plains, adjacent to LUC 1 or 2 land and forming a large and geographically cohesive area with suitable growing degree days for horticulture. An SAA would protect this additional third of prime growing land.

Orcharding often takes place on flat land at the urban-rural fringe, which is where it is put under pressure by housing development. Pressure from housing causes the exact same reverse sensitivity effects experienced by vegetable growers with added complaints about artificial crop protection structures (hail netting), bird scaring devices and frost fans.

Protecting the highly productive land on the Heretaunga Plains is important to contribute to the Government's objective to double export value. Fruit-growing is a low intensity activity which generates high economic returns. Compared to other land uses, orcharding uses little water or nutrient inputs. However, fruit growing relies much more on a consistent supply of water during dry periods than large volumes of water. For this reason, it is important that access to water is enabled as part of the SAA designation.

### **Case Study: Hawke's Bay Future Development Strategy**

The NPSHPL, in theory, is designed to restrict the use of LUC 1, 2, or 3 for purposes other than primary production. Under this framework, urban development should be directed to occur on less productive land, unless specific criteria justify otherwise.

Despite this, the Hawke's Bay Future Development Strategy (FDS) proposes significant urban development on the highly productive Heretaunga Plains. Alternative sites on surrounding hill country (outside LUC 1-3) were raised during hearings.

Growers had several concerns about the FDS:

- **Reverse sensitivity:** Urban development on the Heretaunga Plains will likely lead to increased complaints about normal horticultural activities, constraining growers.
- **Fragmentation:** Development in these areas risks breaking up productive land, reducing long-term growing capacity and expanding the interface with highly productive land, increasing reverse sensitivity risk.

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<sup>5</sup> Fresh Facts 2024. P. 15

- **Freshwater pressure:** Urban growth will strain the over-allocated freshwater resources under the TANK (PC9) framework, which prioritises municipal use over irrigation. This would reduce the productive potential of primary production on the Heretaunga Plains.<sup>6</sup>
- **Natural hazards:** Much of the proposed housing is in flood-prone areas, which would pose a risk to future residents in a region that still bears the scars of Cyclone Gabrielle.<sup>7</sup> Locating housing on higher ground would better manage this risk and align with the proposed NPS for Natural Hazards.

Growers were united in their opposition to the FDS, which strengthened sector support for protecting highly productive land in the Hawke's Bay. Growers were not consulted in the development of the draft FDS, and they felt that their perspectives were ignored during the hearings process.

With spatial planning set to become mandatory under new legislation replacing the RMA, this case underscores the importance of aligning future spatial plans with the NPS-HPL to protect current and future food production.

Summary justification for a Special Agricultural Area on the Heretaunga Plains is included in Appendix A.

### 3.4. Do not name Pukekohe and Horowhenua as interim SAA's

Growers in Horowhenua and Pukekohe, while appreciative of the Government's intentions, have strong and mixed views about designation as Special Agricultural Areas and cannot collectively support these at this time. Individual growers have varying perspectives.

Under current freshwater frameworks, vegetable growers in Pukekohe and Horowhenua, some of New Zealand's most fertile and climatically suitable growing regions, face uncertainty over their ability to continue growing due to regional water quality rules. Growers in these areas cannot obtain consents required to grow, making the land effectively unproductive despite its physical characteristics.

This constraint undermines the intent of the NPS-HPL, which is to protect land for *use* in land-based primary production both now and for future generations. Protecting soil from concrete does not fulfil the objective of the NPS-HPL on its own. Growers need to be able to actually use the land (including the ability to apply sufficient nutrients to achieve marketable yield) to produce food to fulfil the purpose of the policy.

If national direction for vegetables that fully enables the use of land for growing vegetables is made operative, industry views on SAA's in Pukekohe and Horowhenua may change. Our position on SAA's should be read alongside our submission on national direction for vegetable production because these issues are deeply intertwined.

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<sup>6</sup> Hall, Linda. [Thousands of homes planned for Hawke's Bay but there's no extra water](#). 17 January 2025. 1news. Accessed online 8/7/25.

<sup>7</sup> RNZ. [Hawke's Bay housing to be built over 'the best soils in the world'](#). 28 November 2024. Accessed online 8/7/25.

### **3.4.1. HOROWHENUA**

In Horowhenua, there is very little horticulture other than commercial vegetable production. Almost all the commercial vegetable growing in Horowhenua is located on LUC 1 and 2. In this area, protecting all the LUC 3 is not necessary if the objective is to support and prioritise vegetable production due to its importance for the domestic market.

Growers in this area cannot currently get consent to grow vegetables because the One Plan contains consent conditions that cannot be met by vegetable growers. Proposed Plan Change 2 (PC 2) which is before the Environment Court may result in a reduction in vegetable growing in this area due to unworkable consents.

At the moment, growers in Horowhenua have mixed feelings about protecting highly productive land, and they do not support an SAA in their region. Where land cannot be used for growing, growers face a triple bind: they cannot grow, subdivide, or develop, constraining their property rights and stripping them of all financially viable land use options.

Growers would be more confident about the future productive use of growing land in Horowhenua if:

- the National Environmental Standard (NES) Commercial Vegetable Growing is progressed as proposed by HortNZ,
- commercial vegetable growing is made a nationally permitted activity, and
- the NES prevails over regional rules such that the One Plan and PC 2 rules do not apply.

If these conditions are met, growers may support greater protection for highly productive land. Even so, in Horowhenua, it is likely that protecting LUC 1 and 2 would be sufficient to protect vegetable production. A very focused SAA could be considered in the future under the Planning Act if growers are consulted thoroughly during the mapping process and nuanced criteria are used to determine which land is actually highly productive, which likely won't include most LUC 3. This SAA would receive greater support if it was accompanied by strong, enabling policy.

### **3.4.2. PUKEKOHE**

Most horticulture in Pukekohe occurs on LUC 1 and 2, with some occurring on LUC 3. In this area, protecting all LUC 3 is unlikely to be necessary if the objective is to support and prioritise the activity in this area that is highly productive - which is vegetable production.

On the Waikato side of Pukekohe, growers are regulated by Waikato Plan Change 1 (PC 1). This plan has created unworkable rules for vegetable production. If this plan is implemented, it is likely that existing vegetable production in this area will contract. Te Ture Whaimana means that the NES Commercial Vegetables cannot prevail over PC 1, and therefore, growers here will require the proposed objective in the National Policy Statement for Freshwater Management (NPS-FM) prioritising commercial vegetable production as well as a regional plan change.

Growers in Pukekohe have strong and diverse feelings about protecting highly productive land, given the uncertainty over whether growers can use their land productively. Where land cannot be used for growing, growers face a triple bind: they cannot grow, subdivide,

or develop, constraining their property rights and stripping them of all financially viable land use options. This is why there are strong views from some growers opposing the protection of highly productive land. On the other hand, there are growers with equally strong views favouring that protection because they know so personally the constraints of reverse sensitivity and the importance of the area for the production of vegetables. There is a difference between those growers with large land holdings and those who are worried about the future availability of land to buy and lease for crop rotation.

If a future plan change makes vegetable growing a permitted activity in the Waikato region, aligned with HortNZ's proposal, then growers may support a focused SAA designed to protect highly productive land based on nuanced and context-specific criteria. This will only be supported if the consultation process for spatial mapping includes thorough consultation with growers.

### **3.4.3. FRESHWATER QUALITY**

The Regulatory Impact Statement for amendments to the NPS-HPL<sup>8</sup> raises concerns that establishing SAA's in Pukekohe and Horowhenua could lead to declines in water quality due to vegetable production. Vegetable production contributes only a small portion of the total contaminant load in these catchments.<sup>9</sup> The proposals under consultation for the NPSFM include enabling vegetable supply as a national objective, supported by an NES. With this national direction in place, water quality will improve in these catchments as growers adopt workable good management practices and councils implement the NPSFM to achieve the freshwater outcomes with vegetable growing provided for within cumulative limits. This is discussed at length in HortNZ's submission on national direction for vegetables.

Constraining vegetable production in these areas through restrictive and unachievable freshwater rules will not resolve existing water quality issues, but it will reduce domestic supply of vegetables and undermine access to healthy food at affordable prices for New Zealanders. This would have consequences for public health, nutrition and food security.

We see the future development of SAA's to be supportive of achieving freshwater outcomes, if they allow a more integrated approach across action plans within the NPSFM, with long-term spatial planning under the Planning Act. For example, growers in Horowhenua are mindful in the longer term, achieving freshwater outcomes for Lake Horowhenua is likely to require an NES for commercial vegetable growing, an action plan approach under the NPSFM and spatial planning with under the Planning Act, which may include an SAA. In the longer-term, we expect urban housing in Levin, low-impact lifestyle housing in the broader catchment, as well as land retained and enabled for domestic vegetable production, to all be part of a built form that is compatible with achieving freshwater outcomes.

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<sup>8</sup> MfE. [Interim Regulatory Impact Statement: The National Policy Statement for Highly Productive Land](#). 7 April 2025. (para 19) Accessed online 8/7/25.

<sup>9</sup> Stuart Easton, Tom Nation. "Nitrogen Load Modelling of Commercial Vegetable Production". March 2025. Collaborations. Prepared for HortNZ.

### 3.5. Managing rural lifestyle development and subdivision on LUC 3

If LUC 3 is removed from the definition of highly productive land, it will remove the protections that currently require territorial authorities to avoid rezoning highly productive land as rural lifestyle and the protections for the subdivision and fragmentation of LUC 3.

Growers of high value export crops, including kiwifruit and apples, told us they wanted the protections that prevent lifestyle development on LUC 3 retained.

Other growers did not think that lifestyle development or subdivision on all LUC 3 needed to be avoided, and that it would be more meaningful to improve the definition of highly productive land, including using more nuanced criteria, and that the key issue is the management of reverse sensitivity.

In areas that are not interim SAA's, if LUC 3 is not included in the interim definition of highly productive land, we seek changes to the policy that manages rural lifestyle development and subdivision, so any rural lifestyle development or subdivision on LUC 3 is subject to assessments.

### 3.6. Managing reverse sensitivity and fragmentation with buffers

**Outcome sought:** HortNZ seeks a buffer or alternative method to manage reverse sensitivity effects at the interface with highly productive land.

Reverse sensitivity remains a significant constraint on horticultural operations. Planning rules that require buffers between residential and production land can reduce conflicts between incompatible land uses.<sup>10</sup> Alternative mitigations, such as shelterbelts, can also be effective, recognising that shelter may not be appropriate where it shades and limits growth of adjacent crops.

If LUC 3 is removed from the definition of highly productive land, many parcels of LUC 1 and 2 will become more at risk of reverse sensitivity because the interface will become longer and the area defined as highly productive land less cohesive. More reverse sensitivity effects at that boundary will reduce the productive capacity of this important resource.

In the past, HortNZ understands that councils lobbied Central Government for the removal of more directive requirements to manage reverse sensitivity. HortNZ is concerned that without direction for a buffer or alternative mitigations with the onus on new developers, councils will manage reverse sensitivity by imposing consent conditions on primary production. This would be counter to the purpose of the NPS-HPL to enable primary production on highly productive land.

Buffers can include natural separation like rivers and topography (a cliff face adequately separates neighbours without the need for a large horizontal buffer). They can also include roads, shelterbelts, biodiversity plantings or simply 30 metres of space.

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<sup>10</sup> Deloitte. [New Zealand's Food Story: The Pukekohe Hub](#). Prepared for Horticulture New Zealand. August 2018.

Reverse sensitivity should also be managed through policies that recognise the importance of primary production activities within the rural zones, including the ability to generate noise, and light, as well as discharge to air and water.

The Expert Advisory Group's report on the RM3 planning system suggests that those who 'come to the nuisance' will not be able to complain about existing activities.<sup>11</sup> While the Planning Act may be able to prevent legal complaints, social complaints will continue and pose an ongoing risk to the social license to operate for fruit and vegetable growers. If a grower gets blasted on social media for the normal noise associated with their business, that could be as restrictive as a neighbour's complaint to the council. Administrative barriers like the requirement to notify neighbours when agrichemicals are sprayed will continue. Spray notifications are accepted, but with increased numbers of neighbours, they will become more administratively burdensome. That is the reason why mitigations for reverse sensitivity will still be needed in the NPS-HPL, even once RM3 is implemented.

### **Case Study: Te Mata Mushrooms**

Te Mata Mushrooms, established in 1967 and formerly based in Havelock North in the Hawke's Bay, was once the largest mushroom grower in New Zealand. The business faced increasing pressure from urban encroachment as residential development expanded toward its site.<sup>12</sup> Nearby residents began lodging complaints about odour<sup>13</sup>, a classic example of reverse sensitivity.

To address the concerns, Te Mata Mushrooms applied for a resource consent to upgrade its facilities to better contain odour. However, the upgrades required expansion to be financially viable. The consent application was declined.

The business then explored relocating to a more rural site in Central Hawke's Bay<sup>14</sup> but was unable to obtain consent there either. As a result, Te Mata Mushrooms was forced to close. This demonstrates how reverse sensitivity, without appropriate planning protections or buffers, can lead to the closure of food-producing businesses.

## **3.7. Providing for subdivision for supporting infrastructure**

**Outcome sought:** HortNZ seeks an exemption to Clause 3.8 to allow for subdivision of highly productive land when the purpose is to build supporting infrastructure to enhance the productivity of the land.

There are circumstances where subdivision of highly productive land can support its productive use. For instance, where part of a parcel is separated off to build a glasshouse that could be sold as a separate business from the surrounding outdoor market garden.

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<sup>11</sup> Report from the Expert Advisory Group on Resource Management Reform. [Blueprint for resource management reform: A better planning and resource management system 2025](#). Accessed 21/07/25.

<sup>12</sup> Badley, Anusha. [Mushroom farm neighbours sick of 'putrid' smell](#). 3 May 2018. RNZ. Accessed online 8/7/25.

<sup>13</sup> RNZ. [Mushroom farm draws dozens of complaints for smell](#). 8 December 2018. Accessed online 8/7/25.

<sup>14</sup> RNZ. [Te Mata Mushrooms to close Havelock North facility](#). 25 August 2022. Accessed online 8/7/25.

Another example is when a collective wants to purchase part of a land parcel to build communal water storage. The water storage would support the productive use of surrounding highly productive land, but its ownership would be collective rather than individual.

Under these types of circumstances, when it can be demonstrated that the subdivision while enhance the productivity of the land, HortNZ seeks an exemption to the prohibition on subdivision. Proposed drafting amendments are included in Part 4.

## 4. Policy needed under the future Planning and Natural Environment Acts

Under the future RMA replacement system, the Expert Advisory Group report recommends a planning system that starts with spatial planning, assisted by a limited number of standardised zones. HortNZ envisions that simultaneous spatial planning for all of the requirements under the future Planning Act and Natural Environment Act will greatly assist in the local identification of highly productive land and SAA's. We imagine that SAA's could be identified as one of the future zones, recognising areas that through a range of criteria are especially well-suited to high-value food production or production for domestic food supply. These areas would be enabled for primary production use. Housing development would be directed away from these areas.

The following sections describe the policies that we think are best reserved for the future planning system.

### 4.1. Recognising constraints on highly productive land

**Outcome sought:** The NPS-HPL should require councils to enable productive use of this land by allowing water takes and discharges and actively managing reverse sensitivity.

Where land is already fragmented or constrained beyond practical use, including by unworkable regional rules, residential or lifestyle development of LUC 1 and 2 land should be allowed. Better integration between the NPS-HPL, NPS-FM and the NPS for Urban Development (NPS-UD) would reduce the need for such exemptions.

There is no point protecting highly productive land if it cannot be used for primary production. If land cannot be used for growing because of unworkable regional policy, and it cannot be used for housing because of the NPS-HPL, it will sit empty and unproductive, which is an undesirable outcome.

For example, the unworkable regional freshwater rules that threaten to constrain vegetable growing in Horowhenua and Waikato need resolution through national direction for vegetables before protection for highly production land will have widespread grower support in these areas.

Similarly, growers in over-allocated catchments for water abstraction need certainty that they will be able to continue growing through planning for water storage or allocation frameworks that recognise the need for water to be retained on highly productive land and not transferred to urban populations.

## 4.2. Allowing councils to add or subtract land

**Outcome sought:** HortNZ seeks that councils' ability to map land as highly productive based on local context is retained.

Highly productive land can be identified not only by soil classification but by a combination of natural resources (such as soil type, water availability and climate), physical characteristics (like drainage and slope), and enabling conditions (such as infrastructure, planning frameworks, and investment). Land Use Capability is an imperfect indicator of productive potential.

In some regions, such as Otago and Hawkes Bay, the most productive areas for certain crops (e.g. summerfruit like cherries, peaches and apricots or the unique Gimblett Gravels for viticulture) are outside LUC 1-3. These areas are excluded from baseline protection under the NPS-HPL despite their value for food production.

### Case Study: Proposed Otago Regional Policy Statement

The recent decision on the Proposed Otago Regional Policy Statement (pORPS) offers a useful example of how councils can identify highly productive land beyond LUC classes. The decision recognised that protecting all LUC 3 may not always be practical, but the soils outside of LUC 1-3 are often best suited for orcharding and should be eligible to be mapped as highly productive land.<sup>15</sup>

Policy LF-LS-P19 allows land to be identified as highly productive beyond the baseline mapping criteria of the NPS-HPL. This place-based approach allows protection to be extended to the best growing environments while freeing up land for housing where it is not well-suited to horticulture.

*PORPS LF-LS-P19*

*(e) 'Land may be identified as highly productive land if;*

- i. It is in a general rural zone or rural production zone, and*
- ii. It is not LUC 1, 2 or 3 land, and*
- iii. It is or has potential to be highly productive for land-based primary production in Otago, having regard to the soil type, the physical characteristics of the land and soil, and the climate'<sup>16</sup>*

We see this more nuanced approach coming into place with mapping under the proposed Planning Act during spatial planning. That is the stage to decide whether to add or subtract land from the baseline of LUC 1-3 based on full productive capacity for domestic food

<sup>15</sup> Otago Regional Council. [Report and recommendations of the Non-Freshwater and Freshwater Hearings Panels to the Otago Regional Council](#). March 2024. (para 231, 613.3)

<sup>16</sup> Otago Regional Council. [Proposed Otago Regional Policy Statement June 2021: Clean Appeals Version](#). P 154

production or high-value/low-emissions food and beverage production. Councils should have the ability to protect any LUC from housing if it is in a truly highly productive horticultural area. We expect that this mapping would be subject to public consultation.

### 4.3. Revised definition of productive capacity

**Outcome sought:** HortNZ seeks amendment to the definition of productive capacity to consider potential primary production for domestic food supply or high economic output from primary production.

The definition of productive capacity is missing consideration of what being productive means. It's not just about the physical characteristics of the land or its legal constraints - it's about whether or not someone can generate profit or food from working the land. HortNZ sees this as a gap that could be remedied by including the potential for high economic output in the definition of productive capacity.

### 4.4. Establish enough Special Agricultural Areas to provide for regional resilience

**Outcome sought:** HortNZ seeks a national network of Special Agricultural Areas determined through spatial planning under the future Planning Act.

If the Government plans to fully remove LUC 3, a network of Special Agricultural Areas will be needed to enable ongoing horticultural production.

The Expert Advisory Group report on the RMA replacement system notes that their majority view "is that protection of our truly elite soils remains a legitimate function of the planning system...narrower regulation could be done under the Planning Act to support the goals of well-functioning urban and rural areas, but in a more targeted way".<sup>17</sup>

HortNZ sees SAA's as the solution for this "more targeted" approach to protecting highly productive land.

A network of SAA's is needed because limiting the number of SAA's would leave the food system and the economy vulnerable to climate events and supply chain disruptions. When major growing regions are battered by severe weather and forced to halt or reduce production, like Gisborne and Hawke's Bay during Cyclone Gabrielle, the country's food supply suffers. In the immediate aftermath of that disaster, we saw the price of fresh produce skyrocket, which increased the cost of living across the country.

When some regions experience large-scale natural hazard events that limit food production or cut off transport of goods, other regions need to be ready to supply food for national consumption. If food is grown locally in the affected regions, people affected by the disaster will more easily be able to access food during their area's recovery. Our country can prepare for these circumstances with a resilient local food system robust enough to sustain our

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<sup>17</sup> Report from the Expert Advisory Group on Resource Management Reform. [Blueprint for resource management reform: A better planning and resource management system](#) 2025. Accessed 21/07/25.

people. That starts with ensuring policies and rules enable the supply of fresh fruits and vegetables, which contribute to healthy diets.

The Government can prepare for this eventuality through ensuring policies that support food production are nationally consistent. Regional councils cannot be expected to make decisions which support the national priority of food security without national direction.<sup>18</sup>

Regional variation also provides for flexibility in crop choice recognising that climate change may shift which regions are suitable for which crops. Grower need flexibility to change from vegetable growing to permanent structure crops (kiwifruit, hops, apples/pears, etc.) and vice versa.

## 4.5. More detailed mapping

Growers have told HortNZ that site-specific mapping is needed on some properties because the base LUC mapping occurred at too large a spatial scale to show the particulars of their properties. HortNZ notes that the NPS-HPL already provides a pathway for regional councils to use more detailed mapping under clause 3.4(5)(a).

We propose that a criterion is added to clause 3.4, that LUC 1 or 2 land can be removed from the definition of HPL, if there is site specific evidence from a suitably qualified person that demonstrates the land does not meet the definition of LUC 1 or 2. This may be the case because the national scale of LUC mapping means that at a more localised scale, more refined information may demonstrate this land is not actually highly productive and does not warrant the protection.

Under the future Planning Act, more detailed soil mapping than LUC could be used to map all highly productive land. There may be a more updated combination of soil characteristics that could be used for better mapping.

## 5. Discussion questions on removing LUC 3

This section responds directly to the discussion questions posed in the consultation document.

**Q. 25** Should LUC 3 land be exempt from NPS-HPL restrictions on urban development (leaving LUC 3 land still protected from rural lifestyle development) Or, should the restrictions be removed for both urban development and rural lifestyle development?

Feedback from growers on this issue was mixed. The kiwifruit industry, Hawke's Bay growers, some Pukekohe growers, and others across the country do not support removal of protections for lifestyle development on LUC 3.

Feedback from other growers across the country was that not all LUC 3 is truly highly productive, and they would prefer lifestyle on their boundary than urban development, and that the key issue is managing reverse sensitivity.

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<sup>18</sup> NZIER. 2024. [Making the case for vegetable production in New Zealand](#). A report for Horticulture New Zealand.

If LUC 3 is not identified in interim mapping as highly productive land, we seek that lifestyle development is not avoided in all instances but is subject to a specific assessment.

For any urban or lifestyle development that borders LUC 1 and LUC 2 or other land identified as highly productive, developers should be required to include a setback or alternative suitable mitigation to separate new housing or lifestyle blocks from the highly productive land.

In the future where sufficient SAA's are identified and safeguarded under spatial mapping, covering major growing regions, we seek that lifestyle development would not be allowed in SAA's. This would allow for more targeted protection while allowing lifestyle and housing development in less productive areas.

**Q. 26** If the proposal was to exempt LUC 3 land from NPS-HPL restrictions for urban development only, would it be better for it to be for local authorities led urban rezoning only, or should restrictions also be removed for private plan changes to rezone LUC 3 land for urban development?

Only urban rezoning led by local authorities should be included. This will ensure that urban development occurs in a planned, efficient manner alongside other planning considerations like infrastructure development and transportation planning. This aligns with the objectives of the NPS-UD, which emphasises that urban environments should be “well-functioning” (Objective 1) and plans should enable higher density in areas that are “well-served by existing or planned public transport” (Objective 3) and decisions for urban areas should be “integrated with infrastructure planning and funding decisions” while being “strategic over the medium term and long term” (Objective 6).

**Q. 27** If LUC 3 land were to be removed from the criteria for mapping HPL, what, other consequential amendments will be needed? For example, would it be necessary to:

- amend ‘large and geographically cohesive’ in clause 3.4(5)(b)
- amend whether small and discrete areas of LUC 3 land should be included in HPL mapping clauses 3.4(5)(c) and (d)
- amend requirements for mapping scale and use of site-specific assessments in clause 3.4(5)(a), and amend definition of LUC 1, 2 or 3 land
- remove discretion for councils to map additional land under clause 3.4(3).
- use more detailed information about LUC data to better define HPL through more detailed mapping, including farm scale and/or more detailed analysis of LUC units and sub-classes.

If LUC 3 is removed, councils’ ability to add LUC 3 or above back into the definition of highly productive land in their regions is needed. Sometimes, LUC 3, 4 or even 5 is highly productive for horticulture due to a combination of crop needs, climate, access to markets and key horticultural infrastructure like packhouses. This is especially true for orcharding. Councils should have the ability to protect any LUC from housing if it is in a truly highly productive horticultural area.

In addition, HortNZ seeks amendment to the definition of productive capacity to consider the potential for high economic output from primary production and additional policies to

enable growing on highly productive land. We also seek policies that direct the identification of SAA's in the future.

HortNZ's specific responses to the example amendments are outlined in the table below.

Table 2: Specific responses to discussion question 27

MfE's example	HortNZ position	How this could be drafted within NPS-HPL text
a. amend 'large and geographically cohesive' in clause 3.4(5)(b)	HortNZ supports an amendment to this effect, recognising that if LUC 3 is removed, much of 1 and 2 will immediately be fragmented.	No amendment in (b) but amendments in (c) and (d) below.
b. amend whether small and discrete areas of LUC 3 land should be included in HPL mapping clauses 3.4(5)(c) and (d)	Small and discrete areas of LUC 3 land should be included under 3.4(5)(c) if their exclusion would cause the fragmentation of a large and geographically cohesive area of LUC 1 and 2.	<p>(5) For the purpose of identifying land referred to in subclause (1)...</p> <p>(c) <del>small, discrete areas of land that are</del> is not LUC <b><u>1 or 2</u></b> 1, 2, or 3 land, but are within a large and geographically cohesive area of LUC <b><u>1 or 2</u></b>, 2, or 3 land, may be included <b><u>to promote the cohesion of HPL</u></b>; and</p> <p>(d) <del>small, discrete areas of LUC 1, 2, or 3 land</del> need not be included if they are separated from any large and geographically cohesive area of 1, 2, or 3 land.</p> <p><b><u>(e) Land initially mapped as highly productive may be re-classified, if there is site-specific evidence provided by a suitably qualified person that demonstrates the soils do not meet the LUC 1 or 2 criteria.</u></b></p>

MfE's example	HortNZ position	How this could be drafted within NPS-HPL text
<p>c. amend requirements for mapping scale and use of site-specific assessments in clause 3.4(5)(a), and amend definition of LUC 1, 2 or 3 land</p>	<p>MfE guidance directs councils to use the 1:63, 360 scale of the NZLRI national map series as a starting point, with the option for more detailed mapping.<sup>19</sup></p> <p>HortNZ is agnostic on the particular scale or mapping source used but generally supports using the most up-to-date and accurate information within practicality.</p> <p>We support more detailed assessments and the option for councils to look to more detailed S mapping. In the future, we support criteria beyond soil quality and more detailed mapping of soil to be used to identify SAA's and highly productive land.</p>	<p>We defer to soil scientists about which mapping system is most suitable for soils.</p>
<p>d. remove discretion for councils to map additional land under clause 3.4(3).</p>	<p>Strongly disagree. The discretion for councils to map additional land is essential because LUC 1 and 2 do not capture all of the land that is used productively for horticulture.</p> <p>This discretion is what will allow councils to free up more land for housing where it is not productive while protecting key horticultural areas for current and future food production.</p> <p>If anything, Clause 3.4(3) could be amended to recognise that potential economic output from primary production could be a</p>	<p><i>MfE's amendment strongly opposed</i></p> <p>Amend the definition of productive capacity to include: <b><u>the potential for domestic food production or high economic output from primary production.</u></b></p>

<sup>19</sup> MfE. [National Policy Statement Highly Productive Land: Guide to implementation](#). March 2023. (p. 61-62)

MfE's example	HortNZ position	How this could be drafted within NPS-HPL text
	<p>reason to map land beyond LUC 1 and 2 as productive. For example, this would match the pORPS reasoning for recognising that LUC 3+ is used for high-value summerfruit orcharding in Central Otago.</p>	
<p>e. use more detailed information about LUC data to better define HPL through more detailed mapping, including farm scale and/or more detailed analysis of LUC units and sub-classes.</p>	<p>MfE guidance directs councils to use the 1:63, 360 scale of the NZLRI national map series as a starting point, with the option for more detailed mapping.<sup>20</sup></p> <p>HortNZ is agnostic on the particular scale or mapping source used but generally supports using the most up-to-date and accurate information within practicality.</p> <p>We support more detailed assessments and the option for councils to look to more detailed S mapping. In the future, we support criteria beyond soil quality and more detailed mapping of soil to be used to identify SAA's and highly productive land. This report may be a helpful reference: <a href="#">Land-use information system: Land-use classification framework</a>.</p>	<p>We defer to soil scientists about which mapping system is most suitable for soils.</p>

<sup>20</sup> MfE. [National Policy Statement Highly Productive Land: Guide to implementation](#). March 2023. (p. 61-62)

**Q. 32** Should timeframes for local authorities to map highly productive land in regional policy statements be extended based on revised criteria? Alternatively, should the mapping of HPL under the RMA be suspended to provide time for a longer-term solution to managing highly productive land to be developed in the replacement resource management system?

It is sensible to extend the timeframes for local authorities to map highly productive land in regional policy statements given that the current timeframe requires mapping by October 2025, and the Minister Responsible for Resource Management Reform has announced intentions to pause most plan changes.

Provided LUC 1, 2 and a named SAA of the Heretaunga Plains remain protected for consenting decisions in the interim, the mapping of highly productive land can wait until spatial mapping is completed under the replacement resource management system.

Detailed mapping of highly productive land should occur during RM3 spatial mapping. At that point, councils should have discretion to add or remove land from their mapped highly productive land area based on regional context for what is truly productive based on a combination of factors like soil, frost, growing degree days, access to water or sufficient rainfall and access to infrastructure.

That detailed mapping stage is when we expect that more Special Agricultural Areas could be identified based on listed criteria from the revised NPS-HPL.

## 6. Discussion questions on Special Agricultural Areas

Responses to the discussion questions from the consultation document are included in this section.

**Q. 28** Given some areas important for food and fibre production such as Pukekohe and Horowhenua may be compromised by the removal of LUC land, should additional criteria for mapping HPL be considered as part of these amendments?

HortNZ supports the concept of "Special Agricultural Areas" (SAA's). We think the SAA concept is well-aligned with the original purpose of the NPS-HPL - to protect the best soils for the food production which relies on access to the most fertile land and to double export value.

We have consistently advocated for a broader definition of highly productive land that includes not just soil quality, but also climate, access to water, access to labour, infrastructure and proximity to markets.

Depending on how they are defined, SAA's could reflect this more expansive definition and provide much needed protection for regionally or nationally significant growing areas.

In the interim, we seek that the Heretaunga Plains are named as an interim SAA and that Pukekohe and Horowhenua are not named for now.

**Q. 29** If so, what additional criteria could be used to ensure areas important for food and fibre production are still protected by NPS-HPL?

HortNZ supports using clear criteria to identify Special Agricultural Areas through spatial planning under the RMA replacement system.

We also support the interim designation of an SAA on the Heretaunga Plains with an immediate amendment to the NPS-HPL to protect this key growing area from housing and lifestyle development before the new RMA replacement system takes effect.

The following criteria should be balanced to determine Special Agricultural Areas under the RMA replacement spatial planning system, recognising that all criteria need not be met for all SAA's:

- (h) Key food producing area
- (i) Combination of climate and soil factors which support horticulture
- (j) Underlain by an aquifer, served by water storage, or has sufficient rainfall for horticultural production
- (k) Important for domestic or international markets
- (l) Important for domestic food supply and/or low emissions food and beverage production
- (m) Of regional or national economic importance
- (n) Consistent with the objective of the NPS-HPL (to protect highly productive land for use in land-based primary production, both now and for future generations)

HortNZ supports LUC 1 and 2 mapping as the default method for mapping highly productive land given the simplicity of implementation, but councils' detailed mapping or the Central Government mapping of SAA's should not be based on LUC. Instead, it should be based on whichever areas *are*, in practice, highly productive. This may be LUC 1 and 2 in Levin and LUC 7 on the unique Gimblett Gravels in Hawke's Bay (a highly productive winegrowing area).

**Q. 31** What are the key considerations for the interaction of special agriculture areas with other national direction – for example, national direction for freshwater?

Protecting highly productive land is not meaningful unless its productive use is also enabled. If councils constrain the ability to grow on land, that land is no longer highly productive.

HortNZ supports the concept of SAA's where productive use is possible and protected, and where they are needed to protect land that has a high productive capacity.

## 6.1. Freshwater quantity

We see an opportunity for water volume allocation to enable the productive use of highly productive land, particularly in SAA's. SAA's could be considered when deciding locations for community water storage schemes and limiting the transfer of water away from highly productive land to urban areas. The sequencing of clawbacks should be designed to get water storage in place to enable the continuation of primary production before allocation is severely reduced. Highly productive land isn't necessarily the best location for large water storage infrastructure. Rather, water storage up the catchment or in the aquifer can support production on highly productive land. This is discussed further in HortNZ's submission on water storage.

An example is the TANK plan change in Hawke's Bay, where water allocation changes could threaten the productive of the Heretaunga Plains. HortNZ is seeking a framework that better sequences reductions in abstraction with increased harvesting of high flows and improved frameworks for sharing water amongst irrigators on the highly productive land.

## 6.2. Source water drinking protection zones

The Government is currently consulting on whether to require councils to map source water risk management areas (SWRMAs) under the NPSFM. These mapped areas will be used to establish future activity controls to protect human drinking water supplies.

HortNZ fully supports policy to protect public health. We are concerned, however, that previous drafts of these activity controls have been overly stringent or duplicative of existing regulations, without evidentiary basis.

We are also concerned that past drinking water policy proposals have not addressed how decisions should be made about where to locate drinking water sources. If establishing a new supply would impose land-use constraints on highly productive land or an SAA, alternative locations should be prioritised.

As such, HortNZ seeks that no new drinking water supply requiring SWRMA mapping should be located where SWRMA zones 1 or 2 would overlap with identified highly productive land or SAA's.

**Q. 30** What is the appropriate process for identifying special agricultural areas? Should this process be led by local government or central government?

The process for identifying special agricultural areas should be led by central government with robust consultation with growers. Local government has shown that it is not set up to measure or plan for matters of national importance.

## Specific Amendments to the National Policy Statement for Highly Productive Land

Without limiting the generality of the above, HortNZ seeks the following decisions on the National Policy Statement for Highly Productive Land, as set out below, or alternative amendments to address the substance of the concerns raised in this submission and any consequential amendments required to address the concerns raised in this submission.

Additions are indicated by bolded underline, and deletions by strikethrough text.

Provision	Reason	Decision sought
Entire NPS-HPL	Given that greenhouses, indoor intensive primary production and ancillary activities such as packhouses are allowed on highly productive land, it would be more consistent to refer to "primary production" in general rather than "land-based primary production".	Replace all references to "land-based primary production" with "primary production".
Clause 1.3 Interpretation	The definition of productive capacity should be expanded to include economic output for primary production.	1.3 Interpretation Productive capacity, in relation to land, means the ability of the land to support land-based primary production over the long term, based on an assessment of: <ul style="list-style-type: none"> <li>(a) physical characteristics (such as soil type, <b><u>climate</u></b>, properties, and versatility); and</li> <li>(b) legal constraints (such as consent notices, local authority covenants, and easements);</li> <li><b><u>(x) planning constraints (such as inability to rotate crops)</u></b></li> <li>and (c) the size and shape of existing and proposed land parcels; <b><u>and</u></b></li> <li><b><u>(d) the potential primary production for domestic food supply or high economic output from primary production.</u></b></li> </ul>

Provision	Reason	Decision sought
<p>New Policy: Criteria to balance when determining Special Agricultural Areas</p>	<p>Criteria are needed to determine where Special Agricultural Areas will be designated under the Planning Act once RM3 is implemented. These criteria should be balanced, recognising that each SAA may not meet all criteria.</p> <p>This balance of criteria means that SAA's - and HPL in general - may comprise LUC beyond 1 &amp; 2.</p> <p>We envisage the SAA mapping is national process, because it requires a consideration of national benefits.</p>	<p><b><u>Special Agricultural Areas are identified and managed to maintain and enhance the productivity of primary production</u></b></p> <p><b><u>Special Agricultural Areas may be designated and considered highly productive land with the full protection of the NPS-HPL under one or more of the following criteria:</u></b></p> <ul style="list-style-type: none"> <li><b><u>(a) The area's existing or potential contribution to food production</u></b></li> <li><b><u>(b) A climate suitable for horticulture</u></b></li> <li><b><u>(c) Soil characteristics suitable for horticulture</u></b></li> <li><b><u>(d) Importance for domestic or international markets</u></b></li> <li><b><u>(e) Importance for domestic food supply and/or low emissions food and beverage production</u></b></li> <li><b><u>(f) Regional or national economic importance</u></b></li> <li><b><u>(g) Consistency with the objective of the NPS-HPL</u></b></li> </ul>
<p>New Policy: Process for identifying Special Agricultural Areas</p>	<p>The process for identifying special agricultural areas should be led by central government. Local government has shown that it is not set up to measure or plan for matters of national importance.</p>	<p><b><u>Central Government must identify Special Agricultural Areas through spatial planning or before 2028 using the criteria in Policy X and in consultation with:</u></b></p> <ul style="list-style-type: none"> <li><b><u>(a) Farmers and growers in the proposed Special Agricultural Area</u></b></li> </ul>

Provision	Reason	Decision sought
	<p>We envision that this will probably happen through spatial planning under the future Planning Act, but we have provided optional drafting here with a 2028 backstop and RMA pathway for insertion into regional policy statements.</p>	<p><b><u>(b) Territorial authorities, unitary authorities and regional councils.</u></b></p> <p><b><u>Central Government will then require local authorities to amend their regional policy statements or spatial plans to include SAA's under Section 55(2) of the RMA.</u></b></p>
<p>New Policy: Enabling the productive use of highly productive land and Special Agricultural Areas</p>	<p>For Special Agricultural Areas to truly be productive for primary production now and into the future, Councils need to provide policies that enable the use of the land.</p>	<p><b><u>The use of highly productive land and Special Agricultural Areas is enabled through:</u></b></p> <p><b><u>(a) freshwater abstraction policies,</u></b></p> <p><b><u>(b) freshwater discharge policies,</u></b></p> <p><b><u>(c) reverse sensitivity provisions, and</u></b></p> <p><b><u>(d) provisions for noise, light and earthworks.</u></b></p>
<p>Clause 3.4 Mapping highly productive land</p>	<p>If LUC 3 is removed from the definition of highly productive land, LUC 1 and 2 alone would be much more fragmented, so we seek that criteria for large and cohesive is removed for LUC 1 and 2.</p> <p>If LUC 3 is removed from the definition, we seek a specific requirements to consider adding it if it is highly productive.</p>	<p>3.4 Mapping highly productive land</p> <p>(1) Every regional council must map as highly productive land any land in its region that:</p> <p>(a) is in a general rural zone or rural production zone; and</p> <p>(b) is predominantly LUC 1, <del>or 2, or 3</del> land; and</p> <p><del>(c) forms a large and geographically cohesive area.</del></p> <p>(2) However, despite anything else in this clause, land that, at the commencement date, is identified for future urban</p>

Provision	Reason	Decision sought
	<p>HortNZ strongly supports Clause 3.4(3) and seeks that it is retained. If anything, it could be amended to recognise that potential economic output from primary production could be a reason to map land beyond LUC 1 and 2 as productive. For example, this would match the pORPS reasoning for recognising that LUC 3+ is used for high-value summerfruit orcharding in Central Otago.</p>	<p>development must not be mapped as highly productive land.</p> <p><b><u>(3a) Regional councils must consider whether LUC 3 that is in a general rural zone or a rural production zone, has the potential to be (based on current uses of similar land in the region), highly productive for land-based primary production in that region, having regard to the productive capacity, soil type, physical characteristics of the land and soil, and climate of the area, and if LUC3 is deemed highly productive based on this assessment, must be mapped as HPL.</u></b></p> <p>(3) Regional councils may map land that is in a general rural zone or a rural production zone, but is not LUC 1, <del>or 2, or 3</del> land, as highly productive land if the land is, or has the potential to be (based on current uses of similar land in the region), highly productive for land-based primary production in that region, having regard to the <b>productive capacity</b>, soil type, physical characteristics of the land and soil, and climate of the area...</p> <p>(5) For the purpose of identifying land referred to in subclause (1)...</p> <p>(b) where possible, the boundaries of large and geographically cohesive areas must be identified by reference to natural boundaries (such as the margins of waterbodies), or legal or non-natural boundaries (such as roads, property boundaries, and fence-lines); and</p> <p>(c) <del>small, discrete areas of land that are</del> is not LUC <b>1 or 2</b> <del>1, 2, or 3</del> land, but are within a large and geographically</p>

Provision	Reason	Decision sought
		<p>cohesive area of LUC <b>1 or 2</b>, 2, or 3 land, may be included <b>to promote the cohesion of HPL</b>; and</p> <p>(d) small, discrete areas of LUC 1, 2, or 3 land need not be included if they are separated from any large and geographically cohesive area of 1, 2, or 3 land.</p> <p><b><u>(e) Land initially mapped as highly productive may be re-classified, if there is site-specific evidence provided by a suitably qualified person that demonstrates the soils do not meet the LUC 1 or 2 criteria.</u></b></p>
<p>3.7 Avoiding rezoning of highly productive land for rural lifestyle</p>	<p>If LUC is removed from the definition of HPL, some growers were concerned about the removal of protections for lifestyle on LUC 3.</p> <p>All growers were concerned about LUC mapping being too coarse.</p> <p>We propose that the assessment to determine whether LUC 3 is suitable for lifestyle is based on an assessment that is subject to more criteria than LUC class as we have proposed for the SAA's. We do not propose this assessment is subject to the 3.10 test.</p>	<p>3.7 Avoiding rezoning of highly productive land for rural lifestyle</p> <p>(1) Territorial authorities must avoid rezoning of highly productive land as rural lifestyle, except as provided in clause 3.10.</p> <p>(2) <b><u>Rezoning of LUC 3 land for rural lifestyle should only be authorised following an assessment to determine whether than land is highly productive based on multiple criteria, and whether allowing lifestyle is consistent with Special Agricultural Area policy that seeks to strategically maintain and enhance areas of high productivity for primary production.</u></b></p>

Provision	Reason	Decision sought
3.8 Avoiding subdivision of highly productive land	<p>If LUC is removed from the definition of HPL, some growers were concerned about the removal of protections for subdivision on LUC 3. All growers were concerned about LUC mapping being too coarse.</p> <p>We propose that the assessment is on whether LUC 3 is suitable for subdivision is based on an assessment that is subject to more criteria to LUC class, as we have proposed for the SAA's.</p> <p>We do not propose this assessment is subject to the 3.10 test.</p>	<p>(1) Territorial authorities must avoid the subdivision of highly productive land <b>and LUC 3</b> unless one of the following applies to the subdivision, and the measures in subclause (2) are applied:</p> <p><b><u>(aa) LUC 3 is only subject to this policy if, following an assessment, the land is deemed to be highly productive based on multiple criteria.</u></b></p>
New Policy: Avoiding locating new drinking water supplies where they would constrain the productive use of highly productive land	<p>The Government is consulting on whether to require councils to map source water risk management areas (SWRMAs) under the NPS-FM. These mapped areas will be used to establish activity controls to protect human drinking water supplies.</p> <p>Past drinking water policy proposals have not addressed how decisions should be made about where to locate drinking water sources. If establishing a new supply would impose land-use constraints on highly productive land or an SAA, alternative locations should be prioritised.</p>	<p><b><u>3.X Avoiding new SWRMA designation of highly productive land</u></b></p> <p><b><u>(1) No new drinking water supply requiring SWRMA mapping should be located where SWRMA zones 1 or 2 would overlap with identified highly productive land or SAA's.</u></b></p>

Provision	Reason	Decision sought
<p>Clause 3.8 Avoiding subdivision of highly productive land</p>	<p>There are circumstances where subdivision of highly productive land can support its productive use. For instance, where part of a parcel is separated off to build a glasshouse that could be sold as a separate business from the surrounding outdoor market garden.</p> <p>Another example is when a collective wants to purchase part of a parcel of productive land to build collective water storage to enhance the productivity of primary production.</p> <p>HortNZ seeks an exemption to the prohibition on subdivision when the subdivision is for the purpose of increasing the productivity of the land.</p>	<p>(1) Territorial authorities must avoid the subdivision of highly productive land unless one of the following applies to the subdivision, and the measures in subclause (2) are applied:</p> <p>(a) the applicant demonstrates that the proposed lots will retain the overall productive capacity of the subject land over the long term:</p> <p><b><u>(x) the applicant demonstrates that the subdivision is for the purpose of supporting primary production on highly productive land:</u></b></p> <p>(b) the subdivision is on specified Māori land:</p> <p>(c) the subdivision is for specified infrastructure, or for defence facilities operated by the New Zealand Defence Force to meet its obligations under the Defence Act 1990, and there is a functional or operational need for the subdivision.</p>
<p>Clause 3.9 Protecting highly productive land from inappropriate use and development</p>	<p>Without a buffer, primary production activities on the edge of highly productive land or Special Agricultural Areas will be constrained by reverse sensitivity effects from adjacent properties. With the removal of LUC 3 from the definition of highly productive land, LUC 1 and 2 alone would be much more fragmented.</p>	<p>(3) Territorial authorities must take measures to ensure that any use or development on highly productive land:</p> <p>(a) minimises or mitigates any actual loss or potential cumulative loss of the availability and productive capacity of highly productive land in their district; <del>and</del></p> <p>(b) avoids if possible, or otherwise mitigates, any actual or potential reverse sensitivity effects on land-based primary production activities from the use or development; <del>and</del></p> <p><b><u>(c) incorporates an internal buffer with the boundary of highly productive land or any Special Agricultural Area or alternative equally effective mitigation for reverse sensitivity.</u></b></p>

Provision	Reason	Decision sought
<p>Clause 3.10 Exemption for highly productive land subject to permanent or long-term constraints</p>	<p>A pathway is needed for small areas of LUC 1 and 2 that is genuinely constrained and not highly productive. This pathway needs to be easier to achieve than 1(a-c) because with the removal of LUC 3 from the definition, 1 and 2 will be more fragmented. We have suggested that all LUC 1 and 2, regardless of fragmentation, should be mapped as HPL by default. Thus, it is more important that there be a clear pathway to take it out.</p> <p>Allocation of water and nutrient applications is the responsibility of the Council. If transfer is not enabled in regional plans, consent applicants cannot be expected to change freshwater provisions in plans.</p>	<p>(1) Territorial authorities may only allow highly productive land to be subdivided, used, or developed for activities not otherwise enabled under clauses 3.7, 3.8, or 3.9 if satisfied that:</p> <p><b><u>(x) the land is highly fragmented, severely constrained by reverse sensitivity issues, severely constrained by pest or disease, or severely constrained by the inability to obtain consent for freshwater abstraction (and has insufficient rainfall) or discharge sufficient for productive use.</u></b></p> <p>(a) there are permanent or long-term constraints on the land that mean the use of the highly productive land for land-based primary production is not able to be economically viable for at least 30 years; and</p> <p>(b) the subdivision, use, or development:</p> <ul style="list-style-type: none"> <li>(i) avoids any significant loss (either individually or cumulatively) of productive capacity of highly productive land in the district; and</li> <li>(ii) avoids the fragmentation of large and geographically cohesive areas of highly productive land; and</li> <li>(iii) avoids if possible, or otherwise mitigates, any potential reverse sensitivity effects on surrounding land-based primary production from the subdivision, use, or development; and</li> </ul> <p>(c) the environmental, social, cultural and economic benefits of the subdivision, use, or development</p>

Provision	Reason	Decision sought
		<p><del>outweigh the long-term environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.</del></p> <p>(2) In order to satisfy a territorial authority as required by subclause (1)(<del>ax</del>), an applicant must demonstrate that the permanent or long-term constraints on economic viability cannot be addressed through any reasonably practicable options that would retain the productive capacity of the highly productive land, by evaluating options such as (without limitation):</p> <ul style="list-style-type: none"> <li>(a) alternate <b>high value</b> forms of land-based primary production:</li> <li>(b) improved land-management strategies:</li> <li>(c) alternative production strategies:</li> <li>(d) water efficiency or storage methods:</li> <li><del>(e) reallocation or transfer of water and nutrient allocations:</del></li> <li>(f) boundary adjustments (including amalgamations):</li> <li><del>(g) lease arrangements.</del></li> </ul> <p>(3) Any evaluation under subclause (2) of reasonably practicable options:</p> <ul style="list-style-type: none"> <li>(a) must not take into account the potential economic benefit of using the highly productive land for purposes other than land-based primary production; and</li> </ul>

Provision	Reason	Decision sought
		<p>(b) must consider the impact that the loss of the highly productive land would have on the landholding in which the highly productive land occurs; and</p> <p>(c) must consider the future productive potential of land-based primary production on the highly productive land, not limited by its past or present uses.</p> <p>(4) The size of a landholding in which the highly productive land occurs is not of itself a determinant of a permanent or long-term constraint.</p> <p>(5) In this clause: landholding has the meaning in the Resource Management (National Environmental Standards for Freshwater) Regulations 2020 long-term constraint means a constraint that is likely to last for at least 30 years.</p>
<p>Clause 3.12 Supporting appropriate productive use of highly productive land</p>	<p>Abstraction and discharge provisions are the missing piece of the puzzle to actually enable the use of highly productive land for primary production. This includes discharges to freshwater and air.</p> <p>Under Package 3 of this RM2 consultation, MfE is proposing new objectives in the NPS-FM which enable water storage and commercial vegetable production. Regional councils should include provisions in their plans which consider how water storage can enable the productive use of highly productive land. Their</p>	<p>(1) <b>Regional councils and territorial authorities</b> must include objectives, policies, and rules in their <b>regional and district plans</b> that:</p> <p>(a) prioritise the use of highly productive land for <del>land-based</del> primary production over other uses; and</p> <p>(b) encourage opportunities that maintain or increase the productive capacity of highly productive land, but only where those opportunities are not inconsistent with:</p> <p>(iv) any matter of national importance under section 6 of the Act; or</p>

Provision	Reason	Decision sought
	provisions should also enable the productive use of HPL specifically for vegetable production having regard to the new NPS-FM objective.	<p>(v) any environmental outcomes identified in accordance with the National Policy Statement for Freshwater Management 2020</p> <p><b><u>(c) encourage opportunities that maintain or increase the productive capacity of highly productive land that support achieving the objectives of the National Policy Statement for Freshwater Management 2020.</u></b></p>
Clause 3.13 Managing reverse sensitivity and cumulative effects	Councils need clearly direction to take an integrated planning approach and consider how to enable primary production on highly productive land through all policies in the rural zone, including provisions for noise, light, odour and visual effects.	<p>(1) Territorial authorities must include objectives, policies, and rules in their district plans that:</p> <p>(a) identify typical activities and effects associated with <del>land-</del>land-based primary production on highly productive land that should be anticipated and tolerated in a productive rural environment <b><u>including noise, light, odour and visual effects</u></b>; and</p> <p>(b) require the avoidance if possible, or otherwise the mitigation, of any potential reverse sensitivity effects from urban rezoning or rural lifestyle development that could affect land-based primary production on highly productive land (where mitigation might involve, for instance, the use of setbacks and buffers); and</p> <p>(c) require consideration of the cumulative effects of any subdivision, use, or development on the availability and productive capacity of highly productive land in their district.</p>

# Justification for Heretaunga Plains SAA

Criteria	Relevance for Heretaunga Plains
Key food producing area	<p>Crops grown include<sup>21</sup>:</p> <ul style="list-style-type: none"> <li>• Apples (60% of New Zealand's total)</li> <li>• Squash (70%)</li> <li>• Sweetcorn (35%)</li> <li>• Peas and beans (25%)</li> <li>• Summerfruit (20%)</li> <li>• Onions (15%)</li> <li>• Significant viticulture</li> </ul>
Combination of climate and soil factors which support horticulture	<p>The Hawke's Bay has over 2300 hours of bright sunshine per year. The region's warm, sunny climate and versatile soils are ideal for growing.</p>
Important for domestic food supply and/or high value food and beverage production	<p>Pipfruit production is a rapidly growing high value export industry, with a total economic impact of \$2.5 billion to the New Zealand economy, achieving \$1 billion in orchard gate revenue. This is a 27% year-on-year increase of total economic impact<sup>22</sup> Its continued success will contribute to doubling export value while meeting New Zealand's climate commitments.</p> <p>The vegetables grown in Hawke's Bay support both domestic food supply and high value international export. The volume of fruit, squash and process vegetable production in the Hawke's Bay provides sufficient scale for</p>

<sup>21</sup> [Fresh-Facts-2024---Online-Version.pdf](#)

<sup>22</sup> [Apple and pear industry hits \\$1 billion in revenue for the first time - New Zealand Apples & Pears](#)

Criteria	Relevance for Heretaunga Plains
	the whole industry to access supporting services for export, biosecurity, etc.
Important for domestic or international markets	New Zealand’s apple industry depends on the large-scale production in Hawke’s Bay to meet the volumes needed for international market access and to justify shared industry resources, such as biosecurity funding.
Of regional or national economic importance	The Hawke’s Bay apple and pear industry contributed \$1.3 billion in total economic impact, increasing its GDP contribution by 37% year-on-year and employing over 7,000 people. <sup>23</sup> The industry ranks third highest out of ANZSIC level 4 industries for its contribution to regional GDP in Hawke’s Bay. <sup>24</sup>
Consistency with the objective of the NPS-HPL	The availability of the Heretaunga Plains to grow fruits and vegetables for current and future generations is reliant on their protection from inappropriate subdivision and development. Given the strength and continued economic growth of the pipfruit industry, it is very likely that this land will continue to be used for horticulture if protected from housing.
Facing imminent urban growth pressures	<p>The 2024 Draft Hastings-Napier Future Development Strategy proposes extensive housing growth on the highly productive Heretaunga Plains. The strategy was widely opposed by the Hawke’s Bay horticulture industry.</p> <p>The plan forecast 16,320 new dwellings, with 46% to be sourced through greenfield development, largely on highly productive soils.</p>

HortNZ commissioned indicative mapping of a possible SAA on the Heretaunga Plains. This mapping is a first cut, and we expect that the Government version might differ slightly.

<sup>23</sup> [Apple and pear industry hits \\$1 billion in revenue for the first time - New Zealand Apples & Pears](#)

<sup>24</sup> Martin Jenkins. (2024). '[Economic contribution of the New Zealand Apple and Pear industry 2024](#)'

