



# Cabinet Economic Development Committee

## Summary

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### Proposed National Policy Statement for Highly Productive Land: Release of Discussion Document

**Portfolios** Environment / Agriculture

**Purpose** This paper seeks agreement to release a discussion document on a proposed National Policy Statement for Highly Productive Land (NPS).

**Previous Consideration** None.

**Summary** New Zealand's primary sector, particularly vegetable growers, depend on the availability of highly productive land to produce food and remain competitive in export markets. Roughly 14 percent of New Zealand's land can be considered highly productive and well-suited to a range of primary production activities. However, the availability of this land is gradually and irreversibly being reduced as a result of urban expansion and fragmentation by rural lifestyle developments.

There is a lack of clarity for local authorities on how highly productive land should be managed under the Resource Management Act 1991 (RMA). The protection of highly productive land is not specifically recognised as a matter of national importance in the RMA, and no specific direction in relation to its management is provided. The approaches taken by councils vary across the country.

The **attached** discussion document seeks feedback on a new National Policy Statement for Highly Productive Land. The proposed NPS would strengthen the requirements under the RMA for local authorities to manage New Zealand's most versatile and productive land to ensure its long-term availability for primary production. In particular, the proposed NPS would provide direction to councils to:

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

The proposed NPS is a key component of the Urban Growth Agenda, and designed to sit alongside the proposed NPS for Urban Development (see separate paper under DEV-19-SUB-0204).

Treasury's concerns about the alignment of the proposed NPS with the Urban Growth Agenda, and the response from the Ministry for Primary Industries and Ministry for the Environment, are discussed on **pages 18-20** and reflected in the either/or options in **recommendations 5 and 6** below.

<b>Regulatory Impact Analysis</b>	Not required.
<b>Baseline Implications</b>	<p>An indicative cost benefit analysis is discussed on <b>pages 14-16</b>.</p> <p>Subject to Budget 2020 decisions, a comprehensive implementation programme will be rolled out to assist councils with implementation and ensure that a nationally consistent approach is taken.</p>
<b>Legislative Implications</b>	None.
<b>Timing Issues</b>	<p>Consultation will run for eight weeks, over August and September 2019 (alongside the consultation on the proposed NPS on Urban Development: see separate paper under DEV-19-SUB-0204).</p> <p>A second phase of work focused on broader soil health concerns will commence in 2020.</p> <p>It is proposed that councils would need to fully implement the NPS within five years after it comes into force – the discussion document seeks specific feedback on this timeframe.</p>
<b>Announcement</b>	The consultation will be supported by public workshops and targeted engagement with key stakeholders. The Ministry for the Environment is coordinating the processes for the various consultation processes occurring this year.
<b>Proactive Release</b>	This paper will be proactively released, subject to any appropriate redactions.
<b>Consultation</b>	<p>Paper prepared by Agriculture and MfE. Crown Law, MBIE, Treasury, DIA, LINZ, TPK and MHUD were consulted. DPMC was informed.</p> <p>The Minister for the Environment and the Minister of Agriculture indicate that New Zealand First, the Green Party and the Labour Party were consulted.</p>

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**The Minister for the Environment and the Minister of Agriculture recommend that the Committee:**

- 1 note that the proposed National Policy Statement for Highly Productive Land (NPS) is designed to assist local authorities to better manage the impact of competing land uses on the highly productive land resource under the Resource Management Act 1991;

- 2 note that the proposed NPS would provide direction for councils to:
- 2.1 recognise the full range of values and benefits associated with the use of highly productive land for primary production;
  - 2.2 protect highly productive land from inappropriate subdivision, use and development;
  - 2.3 maintain the availability of highly productive land for primary production for future generations;
- 3 note that a second phase of work focused on broader soil health concerns will commence in 2020;
- 4 note that the Minister for the Environment intends to use the alternative process under section 46A(4) of the Resource Management Act 1991 for undertaking consultation with the public and iwi authorities on the proposed NPS;
- 5 EITHER**
- 5.1 agree to the release of the discussion document *Valuing Highly Productive Land: Proposed National Policy Statement for Highly Productive Land* (the discussion document), attached to the submission under DEV-19-SUB-0202, for public consultation in August – September 2019; and
  - 5.2 authorise the Minister for the Environment, in consultation with the Minister of Agriculture, to make minor and editorial amendments to the discussion document before its release; and
  - 5.3 invite the Minister for the Environment and the Minister of Agriculture to report back to the Cabinet Economic Development Committee in March 2020, seeking agreement to the final direction instrument that incorporates amendments following the consultation and includes further cost benefit analysis advice;
- 6 OR [Treasury]**
- 6.1 defer consideration of the submission under DEV-19-SUB-0202 until more targeted options are provided that reduce the risk of restricting housing supply, accompanied by a cost benefit analysis that quantifies the costs of restricting urban development; and
  - 6.2 direct the Ministry for Primary Industries to provide targeted options that reduce the risk of restricting housing supply, accompanied by a cost benefit analysis.

Janine Harvey  
Committee Secretary

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Cabinet Economic Development Committee