

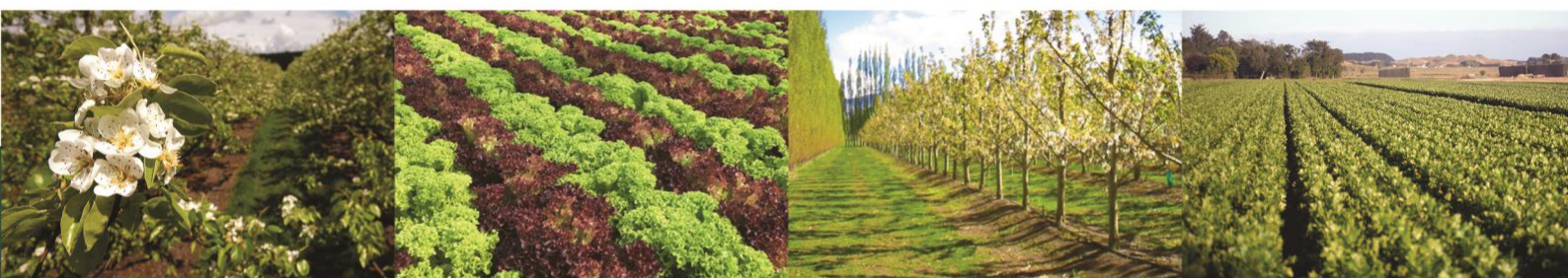
SUBMISSION ON

Waikato 2070 - Draft Growth & Economic Development Strategy

January 2019

TO: Waikato District Council

NAME OF SUBMITTER: Horticulture New Zealand



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Introduction

Horticulture New Zealand (HortNZ) thanks Waikato District Council for the opportunity to submit on the Waikato 2070 - Draft Growth & Economic Development Strategy and welcomes any opportunity to work with Waikato District Council and to discuss our submission.

This submission is supported by the Pukekohe Vegetable Growers Association.

Background to HortNZ

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

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

The horticulture industry value is \$5.7 billion and is broken down as follows:

Industry value	\$5.7bn
Fruit exports	\$2.82bn
Vegetable exports	\$0.62bn
Total exports	\$3.44bn
Fruit domestic	\$0.97bn
Vegetable domestic	\$1.27bn
Total domestic	\$2.24bn

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

It should also be acknowledged that it is not just the economic benefits associated with horticultural production that are important. The rural economy supports rural communities and rural production defines much of the rural landscape. Food production values provide a platform for

long term sustainability of communities, through the provision of food security.

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

SUBMISSION

General comments

HortNZ support the strategic reasons for the proposal and agree that it is important to have a clear strategy for the district's future growth and development. It is important that there are clear focus areas and guiding principles to guide future decision making around land use.

We also recognise the importance of having sufficient residential, commercial and industrial land (in the right places and with a robust policy framework) in order to help prevent ad-hoc development in rural areas.

However, HortNZ has significant concerns with the timing of the Strategy and implications for integrated resource management in the Waikato. HortNZ is a submitter and further submitter to the Proposed Waikato District Plan. That plan change process has only recently entered a hearing phase, with hearings scheduled to continue until the end of 2020 for Stage 1. Already ministerial approval has been sought and granted (02/12/19) for a 14-month extension of time for decision release to enable Stages 1 and 2 to align. There are key resource management decisions to make through the plan change process that include decisions on the location and form of growth. HortNZ is concerned that the Waikato 2070 Strategy is pre-empting these decisions and there is a risk that the documents will not align.

The potential confusion/conflict is highlighted by the statement in the Strategy that describes its purpose (p.8):

WHAT IS THE GROWTH STRATEGY?

A guiding document that the Waikato District Council uses to inform how, where and when growth occurs in the District over the next 50-years

Ideally a Growth and Economic Development Strategy should have occurred before the Proposed Plan Change process which is the District's resource management regulatory mechanism to deliver how, where and when growth occurs in the District. The plan change process would then test whether the *how, where and when* recommendations are sound from a resource management perspective.

There is also a lack of clarity with regard to the relationship of this strategy and the Economic Development Plan adopted in 2015/16 (which appears to still be in place), and the broader FutureProof strategy at a sub-regional level.

Horticulture in Waikato

There is more than 6,116ha of horticultural activity in the Waikato region (predominantly vegetables); the most abundant crops being (in order) potatoes, onion, silverbeet, asparagus, kiwifruit, blueberries, carrots, broccoli, apples and avocados ¹. Within the Waikato District, 'horticulture and fruit growing' contributed \$46.2m to GDP in 2018². This represents a 1.9% share of the Districts total GDP, compared to a 0.5% share of total GDP for 'horticulture and fruit growing' at a national level.³

¹ Freshfacts, 2018 (<https://www.freshfacts.co.nz/files/freshfacts-2018.pdf>)

² Openwaikato.co.nz

³ <https://ecoprofile.infometrics.co.nz/Waikato%20District/Gdp/Structure>

Waikato district contains 418,893ha of prime rural land⁴. There are large pockets of high class soils (as defined in the Waikato Regional Policy Statement) strategically placed near the Auckland and Hamilton markets. With increasing pressure on productive land in neighbouring areas, there is a fundamental need, and exciting opportunity, to support the long-term growth of horticulture in the Waikato District area.

Spatially, commercial vegetable growing activities within the Waikato District are generally concentrated around the Tuakau area (part of the Pukehoke Hub), as well as in the south east of the District and Te Kauwhata. Fruit production is more widespread with exciting opportunities for growth.

A key growing area, the Pukehoke Hub, which straddles the Auckland Region and Waikato District boundaries includes a significant portion within north Waikato (including Tuakau, Pokeno, Aka Aka, Te Kohanga, Onewhero and Pukewaka).

In a Deloitte report, it was reported that the horticulture industry in the Hub directly contributes approximately \$86 million per annum, in value-added terms, to the regional economy, employs 3,090 full time equivalents and 90% of the produce grown in the Hub is for the domestic market⁵.

Food security

Population growth not only increases demand on housing supply, it also generates and necessitates an increased demand on food supply. Prime fruit and vegetable growing land is being squeezed by rapid growth. Increasing urbanisation places additional pressure on, and competition for, the natural resources and infrastructure also critical for growing fruit and vegetables.

It is important that land use decisions, particularly those about where urban growth is accommodated, need to be considered in light of food security. This is an important trade-off when highly productive land is concerned; it should not be assumed that horticultural land lost to urban development can be located elsewhere.

The strategic policy framework

The draft National Policy Statement for Highly Productive Land signals the intent to elevate the importance of high-quality rural production land, such as that found in Waikato, at a national, regional and local level. HortNZ has supported the government's mahi on this project with Tuakau often highlighted as the example where expectations for urban growth and food production values directly collide. The Proposed Waikato District Plan extends greenfield urban growth across land recognised as nationally significant for food production. There is a need to consider economic benefits and long-term sustainability of future development against the protection of highly productive land.

HortNZ has been actively involved in the submission and hearing process for the Proposed Waikato District Plan, seeking to protect prime growing areas and ensure horticultural operations are provided for.

⁴ Openwaikato.co.nz

⁵ New Zealand's Food Story. The Pukekohe Hub. Deloitte. 2018.

<http://www.hortnz.co.nz/assets/Deloitte/New-Zealands-food-story-The-Pukekohe-hub.pdf>

01.0 Introduction

“Our Vision”

HortNZ support a vision seeking liveable, thriving, and connected communities. However the focus of these three elements appears to have an urban bias. For example, the ‘liveable’ element describes an outcome of a range of quality residential options, social infrastructure and amenity. The vision would be improved by recognising that a liveable Waikato is one where the unique rural productive values of the District are recognised and food security assured for future urban and rural communities.

It is noted that in the Waikato District Council’s Economic Development Plan (2015/16), the very first sentence reads: “*The Waikato region is synonymous with agriculture and, in particular, food production*”. This sentiment is not carried thorough in the draft Waikato 2070 strategy, which is about not only growth, but also economic development in which rural industries play a key role.

- **01.3 Our District** – The district description provides explicit recognition of the District’s rural production values:

The Waikato District contains some of the country’s most highly-productive soils which are key contributors to the country’s agricultural and horticultural sectors. The district therefore makes a vital contribution to the country’s economy in terms of contribution to revenue generation and gross domestic product.

As above, the vision for a ‘liveable’ district should be amended to like to these values and food security.

- **01.5 Our Growth** – The stages of growth set out in 01.5 are useful descriptions of the evolution of the district. Notably the role of rural production is a strong influencer. The descriptor for the 2010-2020 period would be improved by recognising the rising in food production demands locally, nationally and internationally, the recognition of north Waikato in the Pukekohe Hub and the rising awareness of food security concerns.

2.0 Our Opportunities and What We Must Treasure.

- **02.2 Our Rich Soils** - HortNZ support the recognition of highly productive soils and the need to protect these from further subdivision and development. This is a key contributor to not only the economy, but the social fabric of the District and also New Zealand’s supply of fruit and vegetables. We agree that Waikato soils are an opportunity and something to be treasure and support the specific identification of food supply. As above, rural production values and food security must be explicitly integrated into the vision. The issue statement should be extended to not only recognise the effect of fragmentation in the rural areas but also the effects of urban growth and in particular greenfield expansion across high class soils adjacent settlements like Tuakau. The Pukekohe Hub should be discussed in 02.2.
- **02.3 Our People** – It is also important to acknowledge that rural sectors can (and do) contribute to the social fabric of the community, and will play a role in maintaining and creating employment opportunities. In addition, not all rural equal in environmental effect (for example, jobs per hectare and food provided). For example, Motu Economic and Public Policy Research undertaken on land use change as a mitigation option for climate change stated that horticulture creates 46.8 full-time equivalents (FTE) per

1,000 ha (compared with 21.3, 5.3 and 3.2 FTE per 1,000 ha for dairy, sheep & beef and forestry, respectively)⁶. It is also important to enable the local production of fresh, nutritious and affordable fruit and vegetables for all sectors of society.

- **02.4 Our Climate** – In addition to the matters listed (which have a hazard related focus) it is also important to note the need for rural production systems to be resilient and adaptable, recognising that food production will be affected in both known and unknown ways. It is also noted that horticulture is an efficient land use that can be a method of reducing emission, as an alternative land use to animal-based agriculture, for example.
- **02.8 Our Economy** – HortNZ support the recognition that the rural sector needs to be ‘protected, built on and promoted’.

Natural Environment (map, p.20)

While acknowledging scale limitations, the map on p.22 demonstrates the scarcity of the class 1-3 soil resource locally and nationally and the notable concentration of the resource in this District. Tuakau and surrounds have a particular significance as part of the Pukekohe Hub (refer above).

This map identifies ‘food processing’ clusters, but not areas important for food production. As noted above, the Pukekohe Hub is a key growing area straddling the district boundary which includes areas within north Waikato. We consider that it would be appropriate to include the Pukekohe Hub area based on the area evaluated in Deloitte’s report (refer to Figure 1 below) on this map, as a food production cluster.



Figure 1: The Pukekohe Hub (Source: New Zealand’s food story: The Pukehohe Hub. Deloitte, 2018).

3.0 Focus Areas

HortNZ generally supports the focus areas identified, as detailed below.

3.1 Grow our Communities

⁶ <https://motu.nz/assets/Documents/our-work/environment-and-agriculture/agricultural-economics/agricultural-greenhouse-gas-emissions/Land-use-change-as-a-mitigation-option-BERG-report.pdf>

Direction: Deliver well-planned and people-friendly communities

- HortNZ support (2), focusing in-fill development and (5) higher density development in town centres and (3) is support rural communities by maintaining services. HortNZ consider that settlements in the north Waikato (eg Tuakau, Pokeno) are part of the Auckland picture. This is reflected in the price point of residential property, housing affordability issues and access to funding for property purchase. This should influence the location and form of urban growth and encourage higher density on existing urban land in these settlements rather than greenfield expansion across high class soils.

Direction: Promote sustainable and cost-effective land-use patterns

- HortNZ support (1) the recognition of climate change and the need to respond and support the direction of sustainable land use (particularly with regard to the aspects expressed in 03.3 which mentions utilising highly productive land). This direction would benefit from also include reference to the need to protect the District high-class soils to protect particularly food supply, as this is a key consideration of sustainable land use patterns.

3.2 Build our Businesses

Direction: Support existing businesses to grow and attract new businesses to the district

- HortNZ support (6), to support primary industries which underpin the Waikato economy. *[To be expanded]*

3.3 Embrace our identity

Direction: Protect our environment

- HortNZ support (1) encouraging sustainable and resilient land use patterns, and (5) to restrict multi-lot residential subdivision in rural areas outside of identified growth areas, and (6) clustering of industrial activities outside of the rural area.
- HortNZ support the recognition in (4) that land uses that utilise highly productive land should be encouraged (on this land) and other uses restricted; it is important that this is carried through in the growth areas and policy.
- HortNZ consider it necessary to add an additional direction that recognises the particular food production values of the District and the links to food security for the population growth in the district and nationally (either in this focus area or focus area 03.1 'Grow our Communities')

3.4 Empower our People

- HortNZ support the directions identified, to increase the capability and capacity and building a resilient local work force.

4.0 Identifying where and when growth can occur

Tuakau Development Plan

- The growth areas reflect the zoning changes in the proposed District Plan; which rezones rural land to Village and Residential Zones. HortNZ submitted on the proposed Waikato District Plan opposing this zoning, where it intersected with land that forms part of the Pukekohe Hub. Hearings on this topic will occur in October 2020. Approximately 50% of growth areas contain high class soils (569ha) and that 57% of those high-class soils are location in Tuakau (326ha). This amounts to 7.5% of the Pukekohe hub area.

HortNZ and other submitter have raised concerns with the location direction of growth and the plans approach to density – noting the Strategy promotes low density residential activity of 450m². HortNZ consider it inappropriate to advance these outcomes sought through a growth strategy in the absence of decision on the Proposed District Plan.

- There are locational reasons why the rural sector is so productive in Tuakau related not just to the quality of soil but also access to freshwater, transport linkages, post-harvest facilities, access to labour, the proximity of the market and a diverse land parcel structure.

Pokeno Development Plan

- HortNZ support a planning approach that promotes more intensive residential development and thereby a more efficient use of the urban land resource, taking pressure off greenfield growth in other settlements (ie Tuakau) where such growth would compromise nationally significant rural production land.

Mangatawhiri & Mangatangi, Meremere, Mercer, Te Kauwhata, Huntly & Ohinewai, Taupiri, Ngaruawahia and Horotiu Development Plans

- With the exception of Mangatawhiri and Mangatangi, the growth areas signalled in the development plans listed above to not appear to impact current horticultural growing areas, however do (to varying degrees) intersect with high class land. Development within these areas should be mindful of the productive potential of this resource.
- There is some growing activity (currently potatoes) occurring in the north western part of the Commercial & Industrial' (Mangatawhiri future employment zone identified for a 30+ years timeframe. This area is not as favourable for growing vegetables compared with the Pukehoke Hub, however as above future development would need to be mindful of the potential of this resource.

Te Kowhai Development Plan

- GIS mapping indicates that there is some horticultural activity (strawberries, tomatoes, brassicas and commercial vegetable production) occurring in the Te Kowhai area and high class soils.
- While the area adjacent to the signalled residential growth (which appear to generally align with the proposed Village Zone) is unlikely to be a particularly attractive area for ongoing or new horticultural activity, development should be mindful of impacts on existing horticultural land uses and the productive potential of high-class land. Structure planning, that considered these issues, could assist with delivering growth in a connected and integrated manner.