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To: District Plan Team – Attention: Greg Wilson
Strategic Planning & Policy
5 Memorial Avenue
Private Bag 752
Kaikohe 0440.
Email: greg.wilson@fndc.govt.nz

RE: Submission on the Proposed Far North District Plan 2022

1. **Details of persons making submission**

Michael Francis Toft, Robert George Vellenoweth and Colleen Wendy Wardlaw
AJ Maloney Trustee Limited, Donald Frank Orr
Vivien Marie Coad, Deanna Lee MacDonald
Dianne Catherine Hamilton, Robert Hamilton
Timothy George Sopp
Mathew Robert Hill
Barry Charles Young, Joan Catherine Young
Campbell Family Trustee Limited

Referred collectively as the '**Landowners**'

C/- Bay of Islands Planning (2022) Limited
Attention: Steven Sanson
PO Box 318
PAIHIA 0247

2. **General Statement**

The Landowners are directly affected by the Proposed Far North District Plan ('**PDP**'). They seek to remove the proposed Horticulture Zone in favour of the Rural Residential Zone.

The Landowners cannot gain an advantage in trade competition through this submission. They are directly impacted by the PDP. The effects are not related to trade competition.

3. **Background & Context**

Background

The 'Landowners' above all have established rural residential properties located along McCaughan Road, Kerikeri.

The properties under consideration are used solely for rural residential use and contain a mixture of configuration of buildings including sheds and garages but all contain residential dwellings.

The properties to which this submission relates are provided below in Table 1:

Table 1

Owners	Record of Title	Address	Area	LUC
Michael Francis Toft, Robert George Vellenoweth and Colleen Wendy Wardlar	NA127A/757	57 McCaughan Road Kerikeri	1.7043ha	3s2, 4e2
AJ Maloney Trustee Limited,	NA123A/757	63 McCaughan Road, Kerikeri	1.0123ha	4e2,

Donald Frank Orr				
Vivien Marie Coad, Deanna Lee MacDonald	NA123A/748	79 McCaughan Road Kerikeri	1.0299ha	4e2
Dianne Catherine Hamilton, Robert Hamilton	NA123A/749	93 McCaughan Road Kerikeri	1.8246ha	3s2, 4e2
Timothy George Sopp	NA123A/454	49E McCaughan Road, Kerikeri	1.0397ha	4e2
Mathew Robert Hill	NA124C/709	49B McCaughan Road Kerikeri	1.3274ha	4e2
Barry Charles Young, Joan Catherine Young	NA110C/920	41 McCaughan Road Kerikeri		3s2, 4e2
Campbell Family Trustee Limited	NA124C/708	37F McCaughan Road, Kerikeri	1.4229ha	3s2,4e2

A plan showing the location of the properties is provided at **Figure 1**. The properties are referred to as the **Landholdings** herein.



Figure 1 – Landholdings (Source: Prover)

Surrounds Description

All of the Landholdings that form this submission are situated around other landholdings which serve a rural residential purpose that have access either directly or via rights of way off the south side of McCaughan Road. There is a large horticultural area to the east and north of the Landholdings. The Landholdings range between 1ha to 1.8ha in size.

The development pattern is evidenced, partially from 33 McCaughan Road and continuing to the end of McCaughan Road. Various commercial activities operate closer to Kapiro Road.

Rural residential and lifestyle properties seem to mostly exist within a 300m setback from McCaughan Road Kerikeri, but some enclaves of rural residential development occur beyond this. Recent horticultural development has taken place within this area and this development pattern can be seen with reference to **Figure 2**.

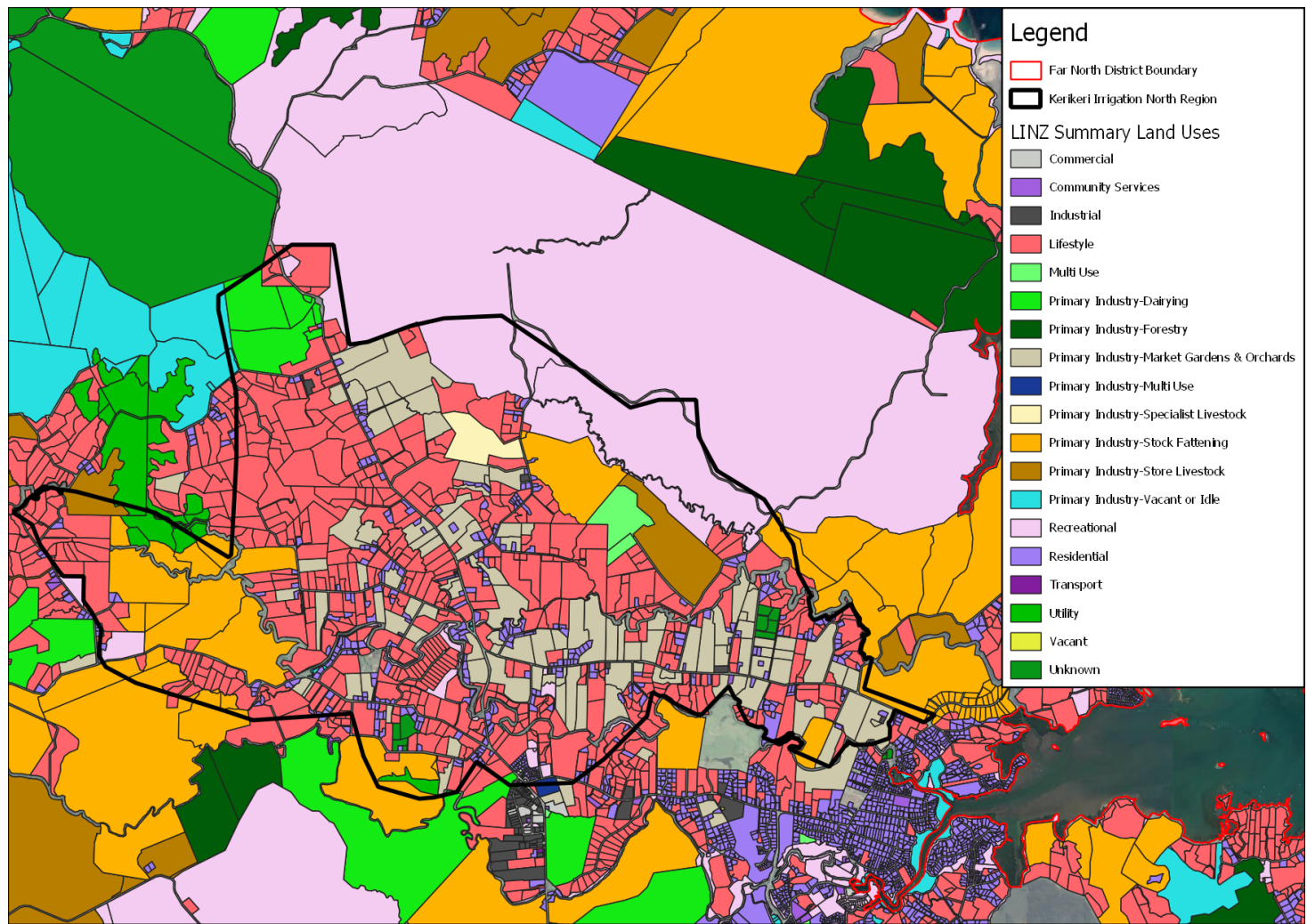


Figure 9: Map of Kerikeri Irrigation North Region – Summary of Current Land Uses (LINZ Codes) by Parcel

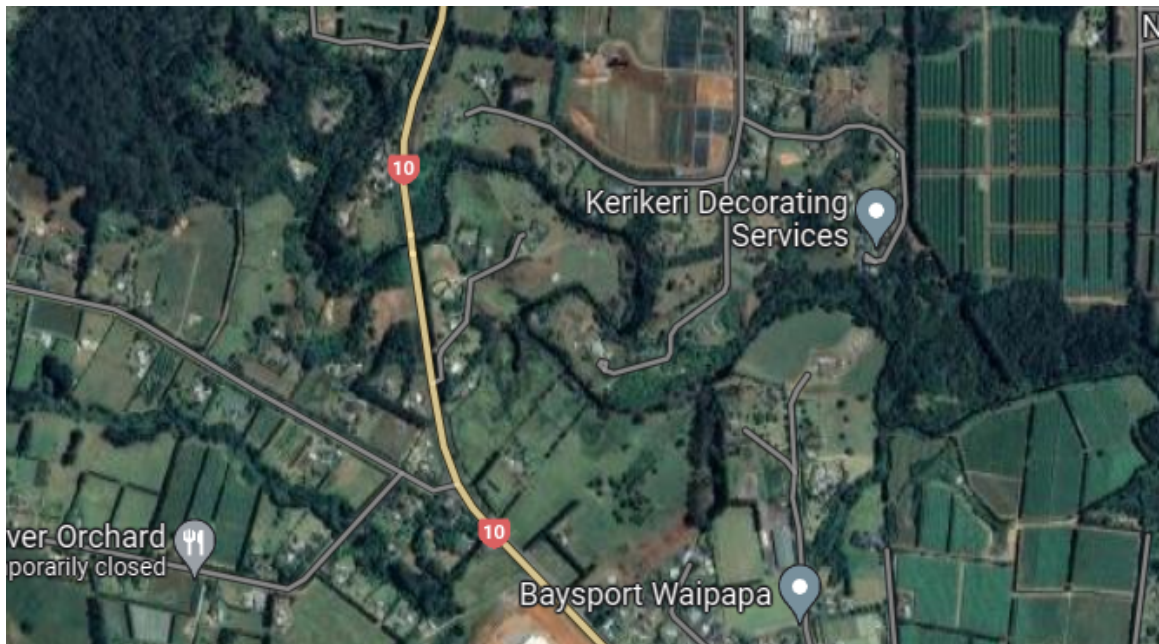


Figure 2 - Surrounds (Source: Google Maps)

Annexure 1 contains a Figure from the FNDC Rural Environmental Economic Analysis Report 2020, which more accurately highlights the uses in the surrounds. This considers the Landholdings as having a 'lifestyle use'.

Operative and Proposed District Plan Zoning

The Landholdings are all currently zoned as Rural Production. The Landholdings are also adjacent to River and Conservation Zone parcels. The Landholdings are surrounded by the Rural Production Zone. These are outlined in **Figure 3**.

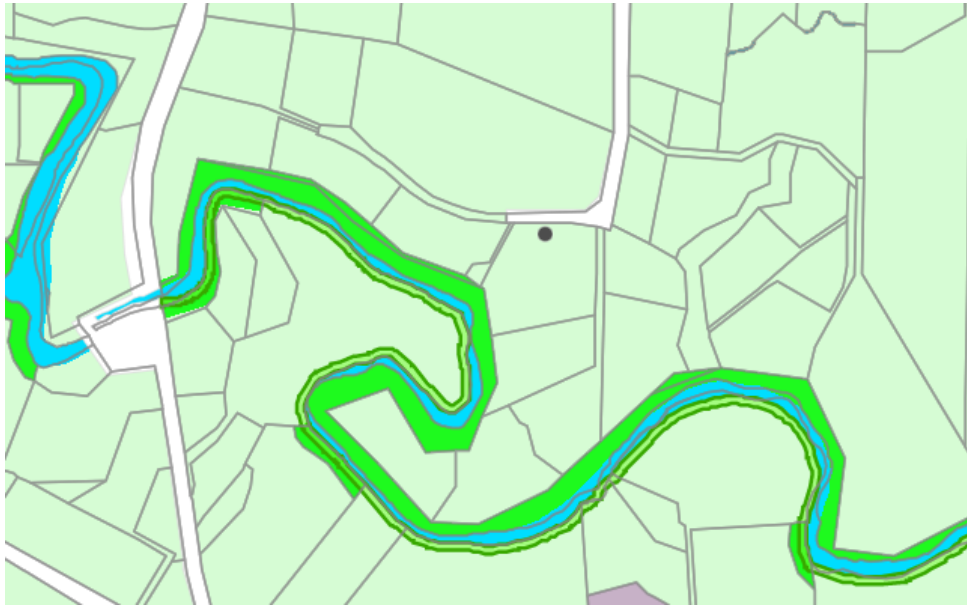


Figure 3 - Operative Zone (Source: Far North Maps)

The PDP seeks a Horticulture Zone for the Landholdings. The group of properties that are the subject of this submission have no other PDP overlays of relevance.



Figure 4 - Proposed Zoning (Source: PDP E Maps)

4. **The specific provisions of the Proposed Far North District Plan that this submission relates to are:**

- Proposed Planning / Zone Maps which relate to the Landholdings referred to in Section 3 of this submission.

5. **The Landowners seek the following amendments/relief:**

This submission requests that the PDP:

S266.001

- Removes the proposed Horticulture Zone in favour of a Rural Residential Zone for the Landholdings.

6. **The reasons for making the submission on the Proposed District Plan are as follows:**

The reasons why it is believed that the Rural Residential Zone is a more appropriate zone for the Landholdings are:

- a) It better aligns with existing development, size of landholdings and surrounding land uses.
- b) There is no existing horticultural use on any of these Landholdings and the land is not suitable for such usage.
- c) The land is not consistent with the Horticulture Zone provisions.
- d) Rural Residential zoning is more consistent with higher order Resource Management Act 1991 ('**RMA**') policies and plans.
- e) Rural Residential zoning is more consistent with the purpose and principles of the RMA.

We briefly expand on these reasons in the following sections. These matters will be fleshed out further in the evidence we call in support of our position at the hearing.

Better aligns with existing development, size of landholdings and surrounding land uses

Amending the zoning of the land, and perhaps other sites of a similar nature, would redefine, but cement, the rural residential character that presently exists.

The existing land uses are a mixture of rural residential activities. These Landholdings are generally not of a size and have already been previously subdivided to an extent where reversion to horticultural use is extremely unlikely.

No existing horticultural use and land is not suitable for such usage

The Landholdings are not currently used for horticulture, nor are many of the existing and developed sites within the surrounds.

It is understood that the general area has some of the components which make the activity of horticulture potentially viable.

This includes versatile soils, access to water, and access to other matters (i.e transport routes) that may make such horticultural activities viable.

It is understood that the Regional Policy Statement for Northland 2016 based versatile soils off the New Zealand Land Resource Inventory.

It is noted that this is based off mapping at a scale of 1:50,000. It is considered that this scale is appropriate for regional level planning, but at a district and site-specific level, mapping at such a scale should not be supported as rationale for rezoning areas of land within the Horticulture Zone.

With reference to **Annexure 1**, the existing land uses on the Landholdings and surrounds are considered as lifestyle, according to the mapping, and in our view more appropriately considered as rural residential when considering the size of the allotments and existing residential development.

The current level of residential development, fragmented allotments already approved and developed, and lack of clear site-specific rationale that confirms that the Landholdings under consideration (and other sites) do in fact have versatile soils, leads to the conclusion that they are not suitable for horticultural use.

Land is not consistent with Horticulture Zone provisions

Key objectives and policies for the Horticulture Zone seeks to manage its long-term availability and protection for the benefit of future generations, avoid land sterilisation that reduces the potential for highly productive land, avoids fragmentation of land and reverse sensitivity effects, does not exacerbate natural

hazards, maintains rural character and amenity, and is serviced by on site infrastructure.

In the context of the Landholdings and surrounds under consideration, it is considered to be difficult to achieve the intent of the zone. The primary reason for this is that the Landholdings and surrounds have already been fragmented, and perhaps sterilised to a point where 'retrofitting' zoning to suit the underlying soils characteristics (amongst a range of other things) is unlikely to result in a reversion from residential to horticultural activities.

In this specific instance, the promoted protection intent of the zone is neglecting the reality on the ground.

In terms of benefits for current and future generations, it appears that the rationale has been to consider this against an economic framework i.e what is the productive property area required to achieve a viable economic return.

This above is considered in more detail in Economic Analysis Report 2020, particularly section 4.1.4 and Table 31 which concludes that:

- *Kiwifruit orchards would need to have a productive area of between 7ha and 16ha respectively. These align closely with the current median sized horticultural property (7ha) and average sized horticultural property (17ha) (Figure 34).*
- *Vineyards would need to have a productive area of between 11ha and 25ha respectively.*

- *Dairy farming properties would need to have a productive area of between 46ha and 103ha respectively. The upper value is not dissimilar to the current median and average dairy farm property size (94ha and 126ha respectively) (Figure 35).*
- *Sheep and beef properties would need to have a productive area of between 242ha and 538ha respectively. This is considerable larger than the estimated median and average sheep and beef property sizes currently in the district (Figure 36). This implies that the majority of the current sheep and beef properties may be making even smaller household returns (i.e. less than \$45,000 per annum). Other income sources may be relevant.*
- *Arable crop/grain farming properties would need to have a productive area of between 70ha and 155ha respectively.*
- *Other livestock farms (but particularly deer farming properties) would need a productive area of between 126ha and 280ha.*

This table and section are provided in **Annexure 2**. Based on Council's own evidence, it seems counter-intuitive to support a zone change to Horticulture with respect to the Landholdings, given their size, existing residential use, and surrounding activities. Overall, the zone provisions are not appropriate for the Landholdings.

Land is consistent with Rural Residential Zone provisions

The Rural Residential Zone:

- a) Is predominantly used for rural residential activities and small-scale farming.
- b) Predominant character of the zone is maintained and enhanced and includes peri-urban scale residential activities, small scale farming activities with limited building and structures, smaller lot sizes than anticipated in the Rural Production and Rural Lifestyle zones, and a diverse range of rural residential environments.
- c) Helps to meet the demand for growth around urban centres, whilst ensuring the ability of land to be rezoned for urban development is not compromised; and
- d) Has land use and subdivision where it maintains rural residential character and amenity, supports a range of rural residential and small-scale farming activities, and is managed to control reverse sensitivity issues.

The Landholdings (and surrounds) are predominantly used for a mixture of residential activities, with scope for small scale farming activities (although this is not currently present on the Landholdings). The predominant character is rural residential, and this is evidenced on the Landholdings and in the surrounds.

Rezoning the land to Rural Residential will assist with Council in its efforts to promote land for residential use. As the Landholdings can be self-serviced, there is no unintended drag on Council infrastructure.

Further subdivision of the Landholdings would not result in reverse sensitivity effects. Rural residential development can act as a buffer

between the rural lifestyle uses and horticultural uses that are present in the surrounds.

More consistent with higher order RMA policies and plans

In terms of the recently promulgated NPS for Highly Productive Soils, there are numerous requirements and exemptions therein which are relevant to the Landholdings under consideration. Section 3.4 Mapping highly productive land contemplates a mapping exercise at a level of detail that 'identified individual parcels of land'. As mentioned above, this level of assessment has not been undertaken for the Landholdings, but further evidence may be provided to confirm this on behalf of the Landowners.

The NPS also contains exemptions for activity on sites subject to permanent or long-term constraints (see 3.10). This allows an avenue for site specific matters, such as underlying development, existing fragmentation and surrounding land uses to be appropriately considered. The Landholdings and the surrounds certainly contain many of the items within the exemptions that would not dismiss that potential for the Landholdings to be zoned rural residential.

The RPS does promote higher order action in that subdivision, use and development should be located, designed and built in a planned and co-ordinated manner which ensures that subdivision in a primary production zone (i.e proposed Horticulture Zone) does not materially reduce the potential for soil-based primary production on land with highly versatile soils, or if they do, the net public benefit exceeds the reduced potential for soil based primary production activities.

It is evidenced within Council's own expert opinion, that the Landholdings could not appropriately generate sufficient returns to consider meeting the policy (refer Policy 5.1.1(f) of the RPS). Additional subdivision or land use on the Landholdings would likely generate more than \$45,000 in annual household considered as a lower limit in the Economic Analysis Report, 2020.

More consistent with the RMA

The RMA seeks to enable people to provide for their economic, social, cultural and well-being while ensuring natural and physical resources remain available for future generations, and adverse effects are appropriately avoided, remedied or mitigated.

The proposed Horticulture zoning of the Landholdings does not achieve the sustainable management of resources. As already noted, the current characteristics of the Landholdings and surrounds make it unusable for a horticultural purpose, and do not allow the owners to provide for their economic or social wellbeing.

Nor does the zoning allow for the zone intent to be met, based on the underlying development, characteristics and factors present.

The Rural Residential zoning would be more consistent with the purpose and principles of the RMA as it would enable these matters to be provided for in a coherent and more consistent manner than when considered against the provision intent and aims of the Horticulture Zone.

7. The Landowners wish that the Far North District Council address the above matters by:

1. Amend the proposed zone for the Landholdings from the Horticulture Zone to the Rural Residential Zone (refer **Figure 1**); and
2. Any other relief to achieve the outcomes sought by this submission.

8. Our clients wish to be **heard** in relation this submission.

Yours sincerely,



Steven Sanson

Director | Consultant Planner

On behalf of the Landowners

Dated this 20th Day of October 2022

**Annexure 1: Figure 09 - Rural Environmental Economic Analysis –
Update, August 2020**

Annexure 2: Section 4.1.4 and Table 31 - Rural Environmental Economic Analysis – Update, August 2020

Once the average returns to the farmer per hectare have been identified, it is possible to determine the amount of productive land required for returns of different amounts. From here Council can make an assessment as to the degree to which land can be sub-divided off productive properties while still leaving a residual productive unit.

4.1.4 Results and Discussion

Table 31 shows the results of the analysis. The table identifies the productive property area that would be required to achieve a range of annual household returns (per annum). Care is needed in applying the averages for other livestock farming as the results are based largely on deer farming operations and may not be applicable to the wide variety of livestock farming that takes place in this sector in the Far North. Similarly, indicative kiwifruit orchard sizes may not apply directly to citrus or avocado orchards for example. The results are indicative only and based on a number of assumptions. Last, 'annual household return' is not the same as gross output, so direct comparisons with the section 4.1.1 above are not appropriate.

In summary, in order to get a return of between \$45,000 and \$100,000 per annum (being the lower and upper limit tested):

- Kiwifruit orchards would need to have a productive area of between 7ha and 16ha respectively. These align closely with the current median sized horticultural property (7ha) and average sized horticultural property (17ha) (Figure 34).
- Vineyards would need to have a productive area of between 11ha and 25ha respectively.
- Dairy farming properties would need to have a productive area of between 46ha and 103ha respectively. The upper value is not dissimilar to the current median and average dairy farm property size (94ha and 126ha respectively) (Figure 35).

Table 31: Estimated Annual Return (\$) by Primary Production Property Size (ha)

Annual Household Return (\$)	Required Productive Property Area (ha)					
	Sheep, Beef and Grain Farming		Other Livestock Farming (Deer Focussed)	Dairy Farming	Horticulture	
	Sheep and Beef	Arable Crops (Grain Focussed)			Kiwifruit	Viticulture
\$ 45,000	242	70	126	46	7	11
\$ 50,000	269	77	140	52	8	13
\$ 55,000	296	85	154	57	9	14
\$ 60,000	323	93	168	62	10	15
\$ 65,000	350	101	182	67	11	16
\$ 70,000	377	108	196	72	11	18
\$ 75,000	404	116	210	77	12	19
\$ 80,000	431	124	224	83	13	20
\$ 85,000	458	132	238	88	14	21
\$ 90,000	484	139	252	93	15	23
\$ 95,000	511	147	266	98	15	24
\$ 100,000	538	155	280	103	16	25

* Source: M.E (based on available industry data and M.E assumptions)

- Sheep and beef properties would need to have a productive area of between 242ha and 538ha respectively. This is considerable larger than the estimated median and average sheep and beef property sizes currently in the district (Figure 36). This implies that the majority of the current sheep and beef properties may be making even smaller household returns (i.e. less than \$45,000 per annum). Other income sources may be relevant.

- Arable crop/grain farming properties would need to have a productive area of between 70ha and 155ha respectively.
- Other livestock farms (but particularly deer farming properties) would need a productive area of between 126ha and 280ha.

These viable property sizes are not constrained to single freehold parcels (and could be an aggregation of several parcels). However, they provide useful context when evaluating the viability of minimum lot sizes. A 20ha lot size in the Rural Production and General Coastal Zone is not expected to sustain an economically viable farming property (unless there are other sources of income not captured). A 12ha lot size could sustain an economic kiwifruit orchard based on the assumptions applied (or a low returning vineyard) but not an economic farm unit. A 4ha lot size is expected to generate an even lower return than tested for kiwifruit growing and is highly unviable for other farming activities seeking a return.

4.2 Modelling the Economic Impact of Changing Land Use Scenarios

Altering land uses, moving from productive activities to urban residential activities, can have significant effects and impacts on the economies of small towns and the district overall. Converting productive land to residential is nearly always a permanent change. This means that the land will never again be able to produce agricultural output so is lost to the sector. Differences in soil types and nature of the land lead to different levels of impact. Highly versatile and productive soils are rare – covering approximately 9% of Northland’s total area and 10% of Far North District’s total land area and generally sustain the highest levels of value added or GDP contribution from primary production to the economy. The loss of these soils will obviously have a greater impact in the short and long term than the consumption of less productive land.

Approximately 72% of horticultural production in the Far North District rural environment occurs on highly versatile soils (by area), equating to 86% of estimated horticultural gross output¹⁵², compared with 58% of dairy production (61% of estimated gross output) and 42% of sheep and beef production (50% of estimated gross output). This means loss of those soils to residential uses impacts the horticultural sector much harder than other sectors, as the alternative soil types are less suitable for horticultural production (although plentiful water supply can help counter that).

It is also important to understand that agricultural production generates significant downstream effects as well as the traditional upstream impacts (usually the ones captured in an Economic Impact Assessment). For example, a Kiwifruit orchard purchases goods and services in order to ensure it can produce fruit, but the fruit it produces also drives significant downstream businesses – such as kiwifruit-based product manufacturing – confectionary, beverages, beauty products etc. These effects also need to be considered when assessing the potential impacts of highly versatile soil loss and productive land generally.

4.2.1 Residential Land Consumption

Part of the assessment process is to establish an appropriate counterfactual against which the effects of converting primary production land (but particularly highly versatile soils) to residential use can be measured. A key question to be answered is this;

“In the absence of development opportunities on highly versatile soils around Far North District townships, would household growth still occur?”

The answer to this question has the major bearing on the assessment outcomes. If the answer to this question is yes, then Council has it within its power to achieve the benefits that arise from population growth around its major townships – higher rates take, more ability to provide sustainable services, retail and service sustainability and therefore community focal points become stronger. In addition, the minor (short term) economic benefits that arise from the construction effect will still occur.

¹⁵² Refer analysis contained in Section 3.5.