

Peer review of “Tamahere Country Club Assessment Against NPS – HPL”

1 Background

This report has been written by Stuart Ford of the AgriBusiness Group who has been engaged by the Waikato District Council to peer review the report “Tamahere Country Club Assessment Against NPS – HPL” which is authored by Jeremy Hunt of AgFirst and the response to the further information / clarification sought by email from Jeremy Hunt dated the 1st Feb 2024.

The report relates to the application by Tamahere Country Club (TCC) which seeks to gain a land use consent(s) under the Waikato District Plan, to develop four properties at Tamahere Drive as a part of future development of their TCC retirement village. The four properties are:

- 56 Tamahere Drive (1.1041 ha);
- 70 Tamahere Drive (0.8000 ha);
- 82 Tamahere Drive (1.7100 ha); and
- 92 Tamahere Drive (3.5409 ha).

The four properties have been assessed as to whether they meet the conditions specified in the National Policy Statement for Highly Productive Land (NPS-HPL) Clause 3.10 which states:

Clause 3.10 Exemption for highly productive land subject to permanent or long-term constraints

- (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:
 - (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
 - (b) the subdivision, use, or development:
 - (i) avoids any significant loss (either individually or cumulatively) of productive capacity of highly productive land in the district; and
- avoids the fragmentation of large and geographically cohesive areas of highly productive land; and
- avoids if possible, or otherwise mitigates, any potential reverse sensitivity effects on surrounding land-based primary production from the subdivision, use, or development; and

- (c) the environmental, social, cultural and economic benefits of the subdivision, use, or development 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.
- (2) In order to satisfy a territorial authority as required by subclause (1)(a), 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):
- (a) alternate forms of land-based primary production:
 - (b) improved land-management strategies:
 - (c) alternative production strategies:
 - (d) water efficiency or storage methods:
 - (e) reallocation or transfer of water and nutrient allocations:
 - (f) boundary adjustments (including amalgamations):
 - (g) lease arrangements.
- (3) Any evaluation under subclause (2) of reasonably practicable options:
- (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
 - (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
 - (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.
- (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.

In providing this report I have taken account of the Guide to Implementation¹ dated March 2023 and in particular the three tests which the proposal must meet which are set out in the report for the evaluation of land which has permanent or long-term constraints for which exemptions apply.

The first test is that 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. It is recommended that this constraint should be evaluated in two steps. The first step is that there is a permanent or long-term constraint on the land that will be present for at least 30 years. The second step is that the constraint means that land-based primary production cannot be economically viable for at least 30 years.

The second test is to assess whether the granting of this consent would compromise the ability of other HPL land in the district to be used for land based primary production.

¹ : Ministry for the Environment. 2023. *National Policy Statement for Highly Productive Land: Guide to implementation*. Wellington: Ministry for the Environment.

The third test is whether the benefits of the proposed development outweigh the costs of the loss of highly productive land taking into account both tangible and intangible values.

2 Land Use Capability

The report correctly identifies that the entire Site meets the transitional definition under Clause 3.5 (7) of the NPS-HPL and therefore should be considered as Highly Productive Land (HPL). It then goes into quite a bit of detail to identify why the HPL area is much less than that which is provided by the definition in the NPS-HPL. While this exercise is technically correct it is probably not pertinent to the issue which is considered under Clause 3.10 because each of the parcels of land are so small that separating out the non HPL land makes no difference to the end result.

3 Assessment of Clause 3.10

3.1 Identification of long term constraints.

While this section is somewhat confused in its presentation, I am of the opinion that it correctly identifies the long term constraints that are present i.e.

- Small scale,
- Fragmented nature of the HPL,
- Isolation due to the surrounding lifestyle blocks.

The report correctly concludes that:

“Due to the small areas available for land-based primary production, the only practical option of primary production is pastural grazing, in the form of a hobby farms, with animals used to maintain and graze the property and finished for home kill purposes.

Consolidation of surrounding blocks would not provide sufficient scale to form a commercial size farm and is impractical due to the small non-contiguous nature. This eliminates any horticultural options from this area, as the cost of capital infrastructure would not be viable for such small blocks.”

I would note that the discussion on the alternative land use options is contained in *Section 5.4 Clause 3.10(2) Alternatives to retain productive capacity*, when I believe that they would have been better traversed in this section and dismissed because of the relevant constraints before concluding as to what is the highest and best land uses.

3.2 Calculation of Economic Viability

Again this section is somewhat confused in its presentation but its conclusion is valid.

It is my opinion that the economic viability of HPL should be calculated on what the author considers to be the highest and best use. There is quite a bit of unnecessary discussion about what the current land use is in the report.

The report has already determined that this should be pastoral farming as hobby farms (lifestyle grazing). I have always assumed that the stocking rate with lifestyle grazing is half that which would be possible under normal farming conditions. The author has correctly used the B+LNZ's Class 5 North Island Finishing Operation, although I would note that they have used exactly the

same stocking rate in their calculations. It is my view that this assumption would mean that their assessment is a very optimistic view of the economic viability of the properties.

Therefore it my opinion that the calculations of what each property is able to generate is very optimistic.

I am of the opinion that the assumptions used in the sense check of the adequacy of the “liability” check are justified and appropriate.

I agree with the conclusions that have been made to reach the decision that “*the properties are not economically viable for land-based primary production now or for at least 30 years.*”

3.3 Clause 3.10(1)(b) Avoidance of significant loss, fragmentation, reverse sensitivity

I agree with the conclusions made in this section.

3.4 Clause 3.10(1)(c) Environmental, social, cultural, and economic costs/benefits.

The evaluation carried out in this section is somewhat cursory and less detailed than we would expect and does not seem to weigh up the benefits of the sub division against the cost of the loss of HPL land as is required and nowhere does it report that conclusion.

The report would benefit from a more expansive assessment of the benefits of the subdivision and the costs of the loss of HPL land and then a reasoned conclusion as to why one outweighs the other.

3.5 5.4 and 5.5

These two sections are designed to further enhance the evaluation carried out 3.10 (2) for 5.4 and 3.10 (3) for 5.5. It is our opinion that they would be better situated within those sections so that they were able to show that they were considered in order to reach the conclusions reached rather than that they are presented as a form of justification after the fact as they are presented at the end of the report.

That change may help to sharpen the presentation of the processes that the author has gone through in order to reach the conclusions that they have reached.

4 Summary

I think that the report could benefit from the following points in order for the Waikato District Council to accept its conclusions:

- A tidying up of its presentation so that the factors to be considered are all in the appropriate section.
- A concentration on the highest and best land use rather than the current land use.
- A more detailed analysis and description of the benefits of the sub division and the costs of the loss of HPL and a conclusion as to the result of that exercise.