

Memorandum

**DRAFT FOR DISCUSSION
PURPOSES ONLY**

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To: Novo Group Limited

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ADVICE ON THE APPLICATION OF THE NPS-HPL TO THE SITE - POUND ROAD INDUSTRIAL DEVELOPMENT

- 1 Novo Group Limited is currently preparing an application for approval under the Fast-track Approvals Act 2024 (*Act*)(*Application*) on behalf of Ngāi Tahu Property Development Holdings (registered as NTP Development Holdings Limited) (*NTP*). The Application relates to the Pound Road Industrial Development, at the northwest of Pound Road, east of Barbers Road, Christchurch (*Site*) and is a listed project in Schedule 2 of the Act.
- 2 The land to which the Application relates is zoned Rural Urban Fringe (*RuF*) in the operative Christchurch District Plan (*District Plan*). The majority of the Site is Land Use Classification (*LUC*) Class 2, with the remaining area being LUC Class 4.¹
- 3 The purpose of this memorandum is to outline why the National Policy Statement for Highly Productive Land (*HPL*) 2022 (*NPS-HPL*) does not apply to the Site and has no relevance to the Application.

Executive summary

- 4 In summary, the NPS-HPL does not apply to the Site as:
 - 4.1 the part of the Site which is LUC Class 2 is not zoned "general rural or rural production" land for the purpose of the NPS-HPL as:
 - (a) the District Plan 'equivalent zone' to the IG and RP under the National Planning Standards is the RuBP and RuW; and
 - (b) the 'equivalent zone' to the RuF zone under the National Planning Standards is the rural lifestyle zone.

¹ 50.35 ha of the Site is LUC Class 2 and the remaining area is LUC Class 4.



NPS-HPL – cl 3.5(7) interim definition of Highly Productive Land

- 5 The NPS-HPL requires regional councils to map highly productive land in their regional policy statements within three years of the NPS-HPL coming into force (in other words, by 17 October 2025).²
- 6 Environment Canterbury (*ECan*) has published its draft Canterbury Regional Policy Statement (*CRPS*), including mapping of HPL, which shows the Site as not being HPL.³ However, the CRPS review process is on hold, and HPL mapping has not been included in an operative regional policy statement.⁴
- 7 In the interim, under clause 3.5(7), a consent authority must apply the NPS-HPL as if references to HPL were a reference to land that, at the commencement date:⁵
 - (a) is
 - (i) zoned general rural or rural production; and
 - (ii) LUC 1, 2, or 3 land; but
 - (b) is not:
 - (i) identified for future urban development; or
 - (ii) subject to a Council initiated, or an adopted, notified plan change to rezone it from general rural or rural production to urban or rural lifestyle.
- 8 Clause 1.3(4) of the NPS-HPL further states:
 - (4) A reference in this National Policy Statement to a zone is:
 - (a) a reference to a zone as described in Standard 8 (Zone Framework Standard) of the National Planning Standards; or
 - (b) for local authorities that have not yet implemented the Zone Framework Standard of the National Planning Standards, a reference to the nearest equivalent zone.
- 9 The District Plan has not yet implemented the Zone Framework Standards for rural zones, including general rural (*GR*) and rural production (*RP*) zones; therefore, determining whether the NPS-HPL applies to the RuF zone requires an assessment of the 'nearest equivalent zone' within the District Plan.
- 'General rural or rural production' zone(s) in the District Plan**
- 10 To determine the nearest equivalent zone to the GR and RP zones for the transitional HPL definition exercise, it is necessary to look at any zone descriptions, objectives, policies, activity tables and subdivision provisions of the District Plan's

² National Policy Statement for Highly Productive Land 2022, cl 3.5(1).

³ [Environment Canterbury draft HPL maps](#).

⁴ NPS-HPL 2020 definition of '**highly productive land**': *means land that has been mapped in accordance with clause 3.4 and is included in an operative regional policy statement as required by clause 3.5 (but see clause 3.5(7) for what is treated as highly productive land before the maps are included in an operative regional policy statement and clause 3.5(6) for when land is rezoned and therefore ceases to be highly productive land).*

⁵ 17 October 2022.



rural zones and compare these with the zone descriptions for the General Rural and Rural Production zones in the National Planning Standards.⁶

National Planning Standards – Rural Zones

- 11 The four 'rural type' zones available for comparison in the National Planning Standards and their descriptions are as follows:
- 1.1 **General rural zone:** Areas used predominantly for primary production activities, including intensive indoor primary production. The zone may also be used for a range of activities that support primary production activities, including associated rural industry, and other activities that require a rural location.
 - 1.2 **Rural production zone:** Areas used predominantly for primary production activities that rely on the productive nature of the land and intensive indoor primary production. The zone may also be used for a range of activities that support primary production activities, including associated rural industry, and other activities that require a rural location.
 - 1.3 **Rural lifestyle zone:** Areas used predominantly for a residential lifestyle within a rural environment on lots smaller than those of the General rural and Rural production zones, while still enabling primary production to occur.
 - 1.4 **Settlement zone:** Areas used predominantly for a cluster of residential, commercial, light industrial and/or community activities that are located in rural areas or coastal environments.
- 12 The GR and RP zone descriptions are similar.⁷ They are both areas used predominantly for primary production activities and intensive indoor primary production, as well as a range of activities that support primary production activities.

Rural zones in the District Plan – GR & RP 'equivalent zone'

- 13 There are five (non-quarry) rural zones within the District Plan, being the:
- Rural Urban Fringe (*RuF*) zone;
 - Rural Waimakariri (*RuW*) zone;
 - Rural Banks Peninsula (*RuBP*) zone;
 - Rural Port Hills (*RuPH*) zone; and
 - Rural Templeton (*RuT*) zone.
- 14 There is no clear description in the District Plan of the intended purpose of the different rural zones, nor are there any specific objectives or policies related to the

⁶ [National Policy Statement for Highly Productive Land: Guide to Implementation](#) at 5.

⁷ So similar that the GR and RP zones have been variously adopted by different districts for rural zones of a similar type, that is they seem to be used interchangeably. See for instance Whangarei District Council that options the RP Zone as its main rural zone, and Selwyn District Council that adopted the GR Zone.



specific zones that provide insight. Section 7 of Appendix 4 of the Section 32 for the Rural Chapter discusses in some depth the differences between parts of the rural environment with similar character, land use and values that were subsequently grouped together to describe the rural environment and inform future management.

- 15 For the purpose of determining what zone is nearest equivalent to a GR or RP zone, the key determining factor is the extent to which primary production activities are enabled and anticipated in the zone and the extent to which the zone is managed primarily for this purpose. The rural zones within the District Plan permit a range of primary production activities, but the extent to which they are enabled (in particular by the subdivision and minimum dwelling site size standards) and anticipated (having regard to the pattern of land use and the competition for and price of land) varies between zones.
- 16 In consideration of the above values and the policies and objectives of the District Plan, the RuBP and RuW are the nearest equivalent zones to the GR and/or RP zones. These zones are enabled, anticipated and managed for primary production activities more so than any other rural zones within the District Plan. This is evidently clear, in particular, by the large minimum subdivision standards in these zones and the function of the zones as described in Chapter 17 of the District Plan.

Rural-urban Fringe Zone – 'equivalent zone'

- 17 In contrast, the RuF is managed predominantly for its amenity and character urban-rural contrast and for appropriate peri-urban uses, including an allowance of dwellings on 4ha lots. Having undertaken a review of the policies and objectives and a desktop review of the actual permitted activities being undertaken in the RuF, we note:
 - 17.1 Policy 17.2.2.4 mentions rural productive and recreational activities in the 'flatland rural area', which includes Waimakariri. Flatland rural areas offer potential for future urban growth, local food production, and ecosystem services.
 - 17.2 The Section 32 report notes that traditional farming is no longer dominant; the area is valued for rural amenity and open character, shaped by lifestyle development and subdivision. The primary planning focus of the zone is to manage rural living and prevent de facto urban development that undermines growth planning. The land is heavily fragmented, dominated by lifestyle blocks, rural-residential use, and urban fringe activities.
 - 17.3 A significant range of non-rural activities are permitted in the zone, including retail and manufacturing, residential activities, recreation activities, emergency service facilities, vet facilities, poultry hatcheries, and visitor accommodation. Farming and rural produce retail are also permitted.
 - 17.4 Intensive farming is also contemplated in the zone but as a restricted discretionary activity rather than a permitted activity, with specific regard



needing to be given to the sensitivity of the surrounding environment, and the extent to which adverse effects on residents can be avoided.⁸

- 17.5 A 4ha minimum net site area applies—the smallest of any rural zone in the District Plan (with other rural zones having a minimum net site area varying from 20 hectares to 100 hectares).⁹
- 18 The RuF zone comprises a mixture of uses, predominantly made up of rural lifestyle properties, smaller farming units, as well as some small commercial offerings (particularly towards Marshlands). We understand that demand for rural lifestyle properties in the RuF zone close to the city has elevated the land value to a level where rural lifestyle represents the highest and best use in many cases, meaning we can expect to see a continued proliferation of 4-hectare properties within the RuF zone as permitted activities.
- 19 Based on the above review, we conclude that the nearest equivalent zone to the RuF zone in the National Planning Standards is the rural lifestyle zone. This is on the basis that a significant proportion of the zone is able to be, and is in fact used for residential purposes, and the rules allow for the creation of 4-hectare allotments (which is generally accepted as a lot size that does not support primary productive use). We note a relevant excerpt from a 2018 MacFarlane Rural Business assessment referenced by a Waimakariri District Council officer in a memo to the hearings panel for the Proposed Waimakariri District Plan, which says:¹⁰
- there are very few agricultural or horticultural farming practises that would justify a farming business of 4ha (with the exception of very intensive vegetable production or glasshouse operations), even if they are operated to the highest level. The reality is that most properties under 10ha have been purchased for lifestyle purposes and the majority of the household income is derived off farm. Furthermore, once the house and amenities are deducted from the total area, the effective farming area on a 4ha property could be as low as 2ha. Whilst in theory a group of 4ha properties could be operated in conjunction to achieve scale, this is unlikely to be successful given owners will often have differing priorities and the fact that the small paddock sizes will limit operational efficiency.*
- The NPS-HPL does not apply**
- 20 For the reasons explained above, we consider that for the purpose of the Application, the Site is not zoned GR or RP and therefore the NPS-HPL does not

⁸ Refer to *Wakatipu Equities Limited v Queenstown Lakes District Council* [2023] NZEnvC 188 at [57] and [65].

⁹ Rural Waimakariri Zone and Rural Quarry (McLeans Island) Zone: 20 hectares. Rural Port Hills Zone: 100 hectares. Rural Banks Peninsula Zone: 40 or 100 hectares depending on location.

¹⁰ Memorandum from Mark Buckley, S42A Reporting Officer for Rural Zones, 30 June 2023.



apply to the Application under the interim definition of HPL. Additionally, we note that this aligns with ECan's draft CRPS HPL mapping.



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