
Joint Witness Statement Highly Productive Land

Sunfield [FTAA-2503-1039]
17 November 2025

Recorded by: Nicky Sedgley, EPA Application Lead

Attendance

The list of participants for this expert conferencing is included in the schedule at the end of this Statement.

Basis of Attendance and Environment Court Practice Note 2023

All participants agree to the following:

- (a) The Environment Court Practice Note 2023 provides relevant guidance and protocols for the expert conferencing session;
- (b) They will comply with the relevant provisions of the Environment Court Practice Note 2023.

Matters Considered at Conferencing – Agenda and Outcomes

The parties note that they have responded to agenda items A-D as drafted. However, they note their agreement that the questions of long-term constraints and economic viability go hand in hand in the clause 3.10(a) test - i.e. they need to be considered jointly, as discussed at item E.

A. Does the site meet the definition of highly productive land in the NPS:HPL?

Response:

Sunfield – Yes , Does contain LUC (Class 1-3)

Council - Yes Does contain LUC (Class 1-3). As it is defined by the NZLRI Map information NPS-HPL 2022 (as amended 2024). (Based on Blue grass case)

The NPS- HPL does not apply to the future urban zone under the NPS-HPL definition of HPL.

Approx 188ha HPL is included in the site.

B. Is land-based primary production (LBPP) already occurring on any relevant HPL, and if so, what is the relevance of that to the assessment under clause 3.10 NPS:HPL?

Response:

Sunfield and Council : Yes

It is agreed it is relevant because as the land is HPL, it needs to be assessed if the LBPP is economically viable due to any relevant constraints and then ascertain if the 3.10 exemption applies.

It is agreed that the other exemption clauses of the NPS-HPL do not apply and the only pathway for the consent under the NPS -HPL is for the application to be found to meet the clause 3.10 exemption.

C. Are there permanent or long term constraints (over 30 years) on the HPLs use for LBPP?

Response:

- Agree that pastoral production is suitable for the site.
- Agree that the details of the nature of the soil (wetness and clay in places) affects the range of land uses that could be utilised on the site. Pastoral is a suitable land use of the majority of the area, with arable suitable on a smaller portion where it is dryer and a slightly different soil type.
- Agree that the characteristics of the soil on site have limitations that reduce the range of landuses that can occur and the versatility of the soils
- Agree that we can do pastoral farming around the gas pipeline

Applicant team considers that the constraints (using mapping in Reece Hills report) are mainly soil limitation (mainly wet or poorly drained soils which restrict the sites land use to the limited number of options). Sees that 160ha is suitable for pastoral grazing based on wetness limitation. 8.4ha suitable for arable = flat and free draining. Believes that the soil moisture limitation will not be overcome for at least 30 years. The large gas pipeline also limits the ability to drain the land.

- The LUC 3 soils (as a result of the finer scale site specific assessment) are heavy clay with poor drainage. Which makes them difficult to manage in the winter. This results in the view that pastoral use is most appropriate
- Also the constraints of land fragmentation (small parcels within subject site) and surrounding urban uses; NOR for Mill Road east, adjoining FUZ to the south, and urban areas to the west.
- The Application does not cause any fragmentation of any geographically cohesive area of HPL, as 3 of the 4 boundaries are non-rural.

Council – doesn't see where NPS- HPL says it has to be vegetable growing or other intensive use. Just needs to be a land based primary production.

- The gas pipeline isn't necessarily a constraint as farming occurs in other places up to 5/10m from it and across it. Can be managed.

- View is that the soil characteristics are limitations not constraints. Limitations are things that need to be taken into account when managing the land. (ie which choices of LBPP are implemented)
- The land is drained by open drains visible on site, but haven't seen a detailed assessment of the drainage system. Unknown if the drainage can be readily improved to manage the limitation.
- Don't see that land fragmentation is a significant constraint as parcel size is not small and some could be operated together, including with activities outside the application site area, which is happening now.
- Not agreed that the adjoining urban /airfield/roads land uses are a significant constraint as can be seen by the existing LBPP.
- Noted that the NPS HPL does not define "large" in terms of site area, but considers that 188ha (inc NOR area) is a large site.

D. Are there any reasonably practicable options to address any permanent or long term constraints that would retain the productive capacity of the HPL?

Response:

Applicant sees that just because the land is in LBPP this does not mean that it automatically doesn't satisfy the test of 3.10. Considers that simply being in LBPP is not a sufficient test, as a key test is whether the land use is economically viable. The constraints of the soil cannot be lessened or removed to a level that would improve the economic viability of the land area. The applicant's assessment of highest or best use is based on existing land use activities which results in conclusion of arable and pastoral being that best use.

"Reasonably practicable options" are considered to be what an average efficient operator can undertake, largely because the limitations are soil based (large clay content and poorly draining soils), this removes alternative LBPP activities such as cropping and horticulture.

Council – since the agenda item (D) asks, are there options to retain the productive capacity of the HPL, the fact that the land is already used for LBPP indicates that there are (acknowledging that the relevant test relates to economic viability which is addressed in Agenda item E).

-Normal management of wetness includes varying grazing intensity across seasons, when / where cropping is done, and upgrading drainage in areas where this will improve productivity.

-The "reasonably practicable options to remove constraints" assessment is based on 30 years from here where technology and farming improvements will occur (eg. plant breeding and other as referred to in RU Will Say para 5.16.) Due to climate change, crops that weren't suitable in an area may become suitable (eg. rice, cranberry and taro).

Climate change is also predicted to increase agricultural output prices for NZ growers. There are also crops that like acidic soils which could be introduced.

E. Are there any permanent or long-term constraints that mean the use of the HPL on the site (including in the area affected by the NOR for Mill Road) for land-based primary production is not able to be economically viable for at least 30 years?

Response:

The parties agree that for the exemption under clause 3.10 to be available, the applicant must demonstrate that that LBPP is not economically viable due to permanent or long-term constraints that cannot be addressed through reasonably practicable options (3.10(1)(a) and 3.10(2)).

The two parties disagree on the definition of economic viability in the context of the NPS-HPL particularly in the area of whether LBPP needs to be commercial or profitable in order to be economically viable. Therefore, the question is first answered by outlining the alternate definition of each party.

Applicant – economically viable, in this context, is understood to relate to a commercially viable LBPP undertaking. It is, firstly, important to understand the context in which the term is used. Clause 3.10 provides a pathway for applications to achieve an exemption for alternate HPL land use. As such a definition that expands that use to any LBPP would provide a threshold that could not be met and therefore results in 3.10 being unworkable.

To date, where the Courts have considered clause 3.10(1)(a), they have accepted the experts' view that economic viability requires the land to make a commercial profit/surplus. - This is presented in the Johnston Case and also the Hopkins vs WDC case.

Land-based primary production is defined in the NPS-HPL as:

“land-based primary production means production, from agricultural, pastoral, horticultural, or forestry activities, that is reliant on the soil resource of the land

The emphasis is that use must be reliant on the soil resource to qualify for consideration.

Therefore, what is to be assessed in 3.10(1)(a) is the “economic viability” of the use of the land for “land- based primary production” regarding any constraints.

Considering any LBPP either currently on a site, or that could be undertaken in the future (such as a personal vegetable garden) would, for all intents and purposes, render the economic viability consideration moot. Economic viability was, however, clearly a key consideration in the forming of 3.10.

Applicant considers that due to the increase in land value that has occurred of the site, that this increase in value, makes the ability to use the land productively in an economically viable manner, not possible (particularly given its constraints).

- Regarding the assessment of the current horse grazing. The returns from leasing to equine, given these are small hacks and pony brood mares, are likely lower than the amalgamated beef finishing operation that we have assessed the site against. Therefore, the beef finishing operations sufficiently covers what the

existing operation with regards to economic viability. The applicant considers that Equine is not considered to be land based primary production if their primary purpose is recreation, sport, entertainment or companion animals.

Council - economically viable LBPP is understood to be LBPP that is:

- Able to be sustained by parties including but not limited to commercial business – e.g. since the NPS-HPL definition of LBPP does not impose a requirement that it is commercial (unlike planning instruments like the NPS-CF), LBPP being conducted by lifestyle/hobby farms is relevant LBPP, so the economics of lifestyle/hobby farming is also relevant (much economically viable economic activity, occurs outside of commercial businesses);
- Not limited to a marginal hypothetical commercial farming business (i.e. a business assumed to purchase the HPL at current prices, and raise mortgage finance to do so) – “inframarginal” owners of the HPL must also be considered (e.g. current owners, who purchased the HPL in the past, and may have no mortgage financing to service, and therefore have a much lower cost structure than that assumed in AgFirst’s analysis);
- Includes all sources of value accruing to the HPL owner undertaking the LBPP, including capital gains for example (e.g. which are an inherent source of value for commercial forestry operations - which are LBPP under the NPS-HPL definition - since by definition the returns from harvest involve a growing capital stock (of timber)) after 20+ years of initial losses, including land capital gains;
- Importantly, prima facie includes current LBPP activities, since they would not be occurring if they were not economically viable – even if these are small scale hobby farmers, the fact that they can sustain LBPP even at small scale indicates their existing activities are economically viable, which means the clause 3.10 exemption is not available.
- Allows for the clauses 3.10 exemption to be available due to long-term constraints that any scale of LBPP economically unviable – e.g. PFAS contamination.

Small-scale horse farming is evidently sufficiently remunerative that existing owners of the HPL can sustain it over time, which is prima facie evidence that it is economically viable. Certainly AgFirst has provided no evidence that the existing LPBB is not able to be sustained by the current HPL owners undertaking it. AgFirst's assessment of the economic viability (or not) of existing LPBB (including horse activities) is not founded on data for actual horse category nor equine returns. Nor is its assessment of highest and best land use. (Please refer to Will Say of Richard Meade, para 5.21 and footnote 1 for details of why horse farming is LBPP for NPS -HPL purposes).

The proximity of the subject site to Auckland facilitates even small-scale providers of horse farming to access customers with likely very high willingness to pay (e.g. enabling urban children to enjoy access to horse activities within a short drive of their residence) and “supporting activities” (eg. Arenas and stabling) are included in the NPS-HPL.

Council considers that the policy intent of the NPS-HPL in clause 2.1 is to protect the potential for HPL to be used for LBPP, and does not require that it is necessarily used for LBPP (although the fact that LBPP is already occurring on the relevant HPL is consistent with that policy intent).

Council wishes to note that the above reference to case law should be reviewed with caution due to the high variability between specifics of cases.

The assessment of economic viability under clause 3.10 does not require an assessment of a current market transaction between a willing buyer and willing seller as would be the case for a land valuation exercise. It allows for economic viability to be assessed from the vantage point of an existing landowner who does not need to purchase the land at current market value, which is consistent with the reality on the ground (i.e. there are existing landowners already undertaking LBPP on the HPL).

Council considers the words that the LBPP “*is not able to be*” in clause 3.10 (1) (a) is a significant linking phrase between constraints and economic viability in the NPS-HPL.

Are there any permanent or long-term constraints that prevent the economic viability

Applicant – yes soil constraints as outlined in D above.

Council - No, the extent of the limitations and constraints are not sufficient as to prevent economic viability as defined above and it is noted that the NPS-HPL does not require the land use to be any more intensive than the current land uses.

The limitations discussed at agenda item D do not amount to the relevant constraints causing LBPP to not be economically viable for at least 30 years. The fact that existing LBPP is occurring is a prima facie sign that it is economically viable, and the applicant has not demonstrated that either the existing LBPP is not economically viable (at all, let alone for at least 30 years) under its or the Council’s definition of economic viability, or that other LBPP is not able to be economically viable under the Council’s definition (or under its own definition, given the omission of capital gains returns).

F. Does the Sunfield project result in:

- a. any significant loss (either individually or cumulatively) of productive capacity of highly productive land in the district;**
- b. the fragmentation of large and geographically cohesive areas of highly productive land; and any potential reverse sensitivity effects on surrounding land-based primary production;**

Response:

A.

Applicant – Firstly, land is not versatile (within the LUC 2 and 3 class) and is primarily only suitable for pastoral grazing. Therefore, when considering the availability and abundance of pastoral land in the district or comparable productive capacity, I don't believe that the loss of this land is a significant loss of productive land in the District.

Council – it is approx. 188ha of land with a significant neighbouring area with apparently similar characteristics extending towards Clevedon, therefore this piece of land is significant in terms of its quantum and its precedent, should it be removed from LBPP.

B

Applicant – There is non-rural land use on three of the site boundaries, therefore the Project will not result in the fragmentation of other areas.

In terms of reverse sensitivity, considering the non-rural land uses, the conversion of the rural land into urban will not have any further impact on reverse sensitivity. There are currently 14 different properties with the majority of these having a dwelling, therefore sensitivity issues already built into land use.

Council – the site is a large and geographically cohesive area of highly productive land, and therefore the conversion to urban use would fragment it as well as have precedent effect on other HPL.

In terms of reverse sensitivity on surrounding LBPP to the north and east, should this project go ahead, this isn't seen as a significant issue, particularly as roading can provide a buffer. This issue crosses into planning as well who may consider other aspects of this.

G. What are the costs associated with the loss of the highly productive land on the site (including in the area affected by the NOR for Mill Road) for land-based primary production, taking into account both tangible and intangible values?

Response:

Applicant- Re the below the applicant wishes to stress that the site is not the Pukekohe hill or is not soil that is comparable to this. The applicants view was that the soil is only suitable for arable or pastoral use.

Council – comments are in black from here on
Applicant comment to each [in blue next to each](#)

Context: HPL is relatively scarce, but particularly important.¹

¹ <https://environment.govt.nz/facts-and-science/land/highly-productive-land/>.

In the context of the site the HPL is limited to largely pastoral grazing which is not a scarce resource and there are more versatile soils available in the District.

NPS:HPL seeks to resolve a collective action problem (i.e. a market failure, arising due to externalities):

1. Individual sub-dividing HPL owners and buyers thereof only account for their private benefits and costs when transacting;
2. But the cumulative loss of HPL to LBPP adversely affects all such sub-dividers and landowners, as well as the rest of society;

Applicant considers that the site is marginal and its loss will not affect society

3. Hence land values in private transactions are a poor indicator of the overall economic impacts of such sub-division, as they don't account for the cumulative negative effect of loss of HPL for LBPP. Costs include:
 - a. Higher food prices and/or reduced food supply, food supply security and/or food quality (tangible values) – especially near main urban centres (meaning food needs to be transported farther, with associated environmental and transport safety/noise costs) - it has not been possible to ground-truth whether horticulture or other food production is or is not viable on parts of the relevant HPL aside from evidence of existing cattle grazing, history of arable farming, and small section of the site suitable for arable production in the north east of the site.

It is noted by the applicant that this is a relative cost related to the level of arable farming that has been assessed by Agfirst.

- b. Loss of open spaces, landscape views, and associated lifestyle/amenity values enjoyed by nearby residents – e.g. views, visual/noise separation from other neighbours, “country air”, “best of town and country”, etc (intangible values) – ie. increased density of nearby housing indicates aggregate loss could be significant (Bourassa et al. 2005 hedonics study puts value of “attractive immediate surroundings” at c. 11% of property sales price in Auckland);

Applicant considers the above is not a cost specifically of HPL land being urbanised but is a cost of urban expansion onto rural land.

- c. Loss of ecosystem services and biodiversity – e.g. flood protection, wildlife habitat;

Applicant considers they cannot comment on the ecosystem and biodiversity costs and flood protection costs as it not their area of expertise.

- d. Risk of peat soils drying out, this implies tangible costs arising from land instability/subsidence, greenhouse gas emissions;

Applicant considers the above risk occurs without the proposal. Eg it could occur through drainage associated with a productive activity as well.

- e. Loss of option value (tangible and intangible values) – hard to reinstate HPL to LBPP once land has been developed: e.g. in response to climate change, interruption to global trade (e.g. tariffs), global conflict, etc → due to dominance of agriculture post-colonisation, New Zealand takes food security for granted, but loss of HPL near main urban centres especially, threatens “public good” food security → UK is a country where food supply security has been, and remains, pronounced;

Applicant considers this cost is relative to the limited overall productive capacity of the land.

- f. Loss of heritage value and/or local identity (intangible values) – e.g. community “rurality”, connection to historical land uses → cf France, Britain (high premium placed on preserving rurality) → Auckland risks becoming a sea of [terrace] houses (if housing trumps all other values, then why not dispense with parks/reserves, etc?);

Applicant experts on this call are not familiar with what the heritage or local identity is for the site and do not therefore have any information to determine if this is a cost of the project or not.

- g. Possible cultural losses (intangible values) – e.g. loss of mana whenua current and traditional connection to te taiao, and to particular soils → e.g. Waikato-Tainui history of being food supplier to Auckland settlers in 1840s-1850s.

Applicant experts on this call will leave this view to the experts in this area and will not attempt to assess this.

4. These issues are more pronounced if the benefits of subdivision accrue to overseas investors or overseas property buyers while the costs (as indicated above) are borne by New Zealand residents/citizens.

Applicant states that even in the case where the developer or owner resides overseas not all benefits will go overseas, and some benefits of additional housing accrue to the district/regional housing market and community, this includes lower cost housing.

Confirmed in person: 17 November 2025

Expert's name and expertise	Party	Expert's confirmation
Dr Reece Hill (RH)	Sunfield	Yes
Phil Osborne Economist	Sunfield	Yes
Jeremy Hunt (JH)	Sunfield	Yes
Dr Dani Guinto (DG)	Auckland Council	Yes
Ruth Underwood (RU)	Auckland Council	Yes
Dr Richard Meade (RM)	Auckland Council	Yes

Observers: Ian Smallburn (Planner, Sunfield) and Russell Butchers (Planner, Auckland Council)

Note: Auckland Council as a Party includes all constituents of the Auckland Council 'family' of organisations.