

## Section 32 Evaluation Report : Rural Industrial Sub Zone

### 1. Strategic Context

Section 32(1)(a) of the Resource Management Act 1991 requires that a Section 32 evaluation report must examine the extent to which proposed objectives are the most appropriate way to achieve the purpose of the Act.

The purpose of the Act requires an integrated planning approach and direction:

#### **5 Purpose**

- (1) *The purpose of this Act is to promote the sustainable management of natural and physical resources.*
- (2) *In this Act, sustainable management means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while—*
  - (a) *sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and*
  - (b) *safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and*
  - (c) *avoiding, remedying, or mitigating any adverse effects of activities on the environment.*

The remaining provisions in Part 2 of the Act provide a framework within which objectives are required to achieve the purpose of the Act and provisions are required to achieve the relevant objectives.

### 2. Regional Planning Documents

The Regional Policy Statement 1998 ["RPS"] is currently under review and it is expected to be further advanced in that process by the time the District Plan Review is notified. Amendments to this evaluation may be required to accommodate any resultant changes to the RPS. The District Plan must *give effect to* the operative RPS and must *have regard to* any proposed RPS.

The operative RPS contains a number of objectives and policies of relevance to rural industrial activities, specifically Objectives 5.4.1 to 5.4.3 (Land) and related policies which, in broad terms promote the sustainable management of Otago's land resource by:

- Maintaining and enhancing the primary productive capacity and life supporting capacity of land resources;
- Avoiding, remedying or mitigating degradation of Otago's natural and physical resources resulting from activities utilising the land resource;
- Protecting outstanding natural features and landscapes from inappropriate subdivision, use and development; and
- Promoting the diversification and use of Otago's land resource to achieve sustainable landuse and management.

Objectives 9.4.1 and 9.4.3 (Built Environment) and its related policies are also relevant and seek to avoid, remedy or mitigate the adverse effects of Otago's built environment, including effects of industrial activities being undertaken within the built environment, on Otago's natural and physical resources, and promote the sustainable management of infrastructure.

In addition the draft RPS contains a number of objectives and policies of relevance to rural industrial activities, specifically Objective 3.2 and Policy 3.2.5 c) which seek to provide for the efficient use of resources in a way that minimises conflict while recognising and providing for activities, such as

industrial activities and rural productive activities, that have the potential to generate adverse environmental effects.

As will be demonstrated in the evaluation below the proposed plan change provisions are consistent with, and give effect to, the relevant operative and draft RPS provisions.

### 3. Resource Management Issues

The resource management issue set out in this section has been identified from the following sources:

- Initial feedback on the Rural section of the District Plan Review
- Meetings with interested landowner

The key issue is:

#### **Issue : Managing Rural Industrial Activities**

While the predominant land use within the Rural Zone is farming there is a range of industrial and service activities that are aligned with farming and rural productive activities and have historically located in rural areas.

These activities compliment and support farming and rural productive activities and include fencing and agricultural contractors yards, firewood operations, sawmills, factories and fabrication yards.

Many of these activities, due to their scale and nature, are not ideally suited to industrial areas located within or adjacent to urban areas and by necessity seek to locate in rural areas. Consequently there are a number of established nodes on rural industrial development throughout the District.

The Operative District Plan, however, makes little to no provision for rural industrial activities with buildings (other than those located within an approved residential building platform) being a discretionary activity and Site Standard 5.3.5.1 iii, which relates to the scale and nature of activities, requiring that no good, materials or equipment is stored outside of a building and that all manufacturing, repair or processing of goods is undertaken within a building.

As such, regardless of a rural industrial activity's scale or potential effects, operators and landowners are faced with uncertainty and an often costly consent process when trying to establish within rural areas.

While this approach acknowledges the sensitivity of the District's rural areas in terms of landscape, character and amenity, it fails to acknowledge the contribution rural industrial activities make to the viability of farming and rural productive activities or the locations within the rural areas where such activities can be undertaken without resulting in significant adverse effects.

### 4. Purpose and Options

The overarching purpose of the proposed changes to the Operative District Plan is to provide for rural industrial activities to be undertaken within the Rural Zone while managing their adverse environmental effects.

#### **Strategic Directions**

The following goals and objectives from the Strategic Directions chapter of the draft District Plan are relevant to this assessment:

<i>Goal 1:</i>	<i>To develop a prosperous, resilient and sustainable economy.</i>
<i>Objective 2</i>	<i>To recognise, develop and sustain the key local service and employment functions that commercial centres and industrial areas outside of the Queenstown and Wanaka central business areas in the District serve.</i>

<i>Policy 2.3</i>	<i>To avoid non-industrial activities occurring within areas zoned for Industrial activities.</i>
<i>Objective 3</i>	<i>To enable the development of innovative and sustainable enterprises that contribute to diversification of the District's economic base and create sustainable employment opportunities</i>
<i>Policy 3.2</i>	<i>Recognise the potential for rural areas to diversify their land use, provided such diversification responds sensitively to rural amenity and landscape character.</i>
<i>Objective 4</i>	<i>To recognise and provide for agricultural land use and its evolving forms in rural areas.</i>
<i>Goal 3:</i>	<i>A quality built environment taking into account the character of individual communities.</i>
<i>Objective 1</i>	<i>To achieve a built environment that ensures our urban areas are desirable places to live, work and play.</i>
<i>Policy 1.1</i>	<i>Ensure development responds to the character of its site, the street, open space and surrounding area, whilst acknowledging the necessity of increased densities and some change in character in certain locations.</i>
<i>Goal 5:</i>	<i>Our distinctive landscapes are protected from inappropriate development.</i>
<i>Objective 1</i>	<i>To protect the natural character of specified Outstanding Natural Landscapes and Outstanding Natural Features from subdivision, use and development.</i>
<i>Policy 1.1</i>	<i>Identify the district's Outstanding Natural Landscapes and Outstanding Natural Features on the district plan maps, and protect them from the adverse effects of subdivision, use and development.</i>
<i>Objective 2</i>	<i>To minimise the adverse landscape effects of subdivision, use or development in specified Visual Amenity Landscapes and Other Rural Landscapes.</i>
<i>Policy 2.1</i>	<i>Identify the district's Visual Amenity Landscapes and Other Rural Landscapes on the district plan maps, and minimise the effects of subdivision, use and development on these landscapes.</i>
<i>Objective 3</i>	<i>To direct new subdivision, use or development to occur in those areas which have potential to absorb change without detracting from landscape and visual amenity values.</i>
<i>Policy 3.1</i>	<i>Direct urban development to be within the UGBs of The Wakatipu Basin or Wanaka, or within the existing rural townships.</i>
<i>Objective 5</i>	<i>To recognise that agricultural land use is fundamental to the openness of our landscapes.</i>
<i>Policy 5.1</i>	<i>Give preference to farming activity in rural areas except where it conflicts with significant nature conservation values.</i>
<i>Policy 5.2</i>	<i>Recognise that the retention of large areas of open country is often dependent on the ongoing viability of farming and that evolving forms of agricultural land use which may change the landscape are anticipated.</i>

In general terms, and within the context of this review, these goals and objectives are met by:

- Identifying a specific area(s) within which rural industrial activities are being or can be undertaken while protecting the landscape and amenity values of the wider Rural Zone.

Determining the most appropriate methods to resolve the issue identified will enable the Plan to give effect to relevant parts of the Strategic Directions chapter, and ultimately meet the purpose of the Act.

As required by section 32(1)(b) RMA, the following section considers various broad options considered to address the issue, and makes recommendations as to the most appropriate course of action.

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## Broad options considered to address the identified issue

### Issue : Managing Rural Industrial Activities

Option 1: Retain the operative provisions

Option 2: Maintain the majority of the provisions with modification where necessary

Option 3: Comprehensive modification to the operative provisions **(Recommended)**

	Option 1: Status quo/ No change	Option 2: Amend Operative Provisions	Option 3: Comprehensive Changes
<b>Costs</b>	<ul style="list-style-type: none"> <li>Operators required to obtain consent for relatively small scale activities that have historically, and by necessity, occurred in rural areas</li> <li>Consenting costs will be passed on to consumers and/or operators will be forced to look elsewhere</li> <li>Council staffing costs</li> </ul>	<ul style="list-style-type: none"> <li>Time/cost of research and consideration of alternatives</li> <li>Potential for Environment Court Appeals</li> <li>Likely to prove difficult to provide for rural industrial activities within the existing provisions while protecting the landscape, character and amenity values of the rural areas as a whole</li> </ul>	<ul style="list-style-type: none"> <li>Potentially greater time/cost incurred when compared to Option 2</li> <li>Greater potential for Environment Court Appeals</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Council staff already familiar with provisions and process</li> <li>Current provisions acknowledge sensitivity of the rural environment in a general sense</li> </ul>	<ul style="list-style-type: none"> <li>District Plan Review is currently budgeted for and underway</li> </ul>	<ul style="list-style-type: none"> <li>A comprehensive review is already budgeted for and underway</li> <li>Review of rural industrial provisions could be incorporated into comprehensive review of the wider rural provisions</li> <li>Provision can be made for rural industrial activities that support the viability of the wider rural zone</li> <li>Specific locations for rural industrial activities can be identified while protecting the landscape, character and amenity values of the wider rural area.</li> </ul>
<b>Ranking</b>	<b>3</b>	<b>2</b>	<b>1</b>

The principal aims of the District Plan review is to simplify the plan where appropriate and to provide greater clarity and certainty around development matters in the District. It is anticipated that this will remove some of the uncertainties that can restrict potential economic growth and associated employment provision. In accordance with these aims and based on the assessment above, Option 3 is considered the most practicable option.

## 5. Scale and Significance Evaluation

The level of detailed analysis undertaken for the evaluation of the proposed objective and provisions has been determined by an assessment of the scale and significance of the implementation of the proposed provisions for rural industrial activities in the Rural Zone. In making this assessment, regard has been had to the following, namely whether the objective and provisions:

- Result in a significant variance from the existing baseline.
- Have effects on matters of national importance.
- Adversely affect those with specific interests, e.g., Tangata Whenua.
- Involve effects that have been considered implicitly or explicitly by higher order documents.
- Impose increased costs or restrictions on individuals, communities or businesses.

## 6. Evaluation of proposed Objective Section 32 (1) (a)

Section 32(1) of the RMA requires the Council to evaluate the extent to which the objectives are the most appropriate way to achieve the purpose of the Act.

Specifically, the proposed Objective for rural industrial activities has been developed to set a clear direction for the establishment of a Rural Industrial Sub Zone while avoiding more sensitive locations within the wider Rural Zone and ensuring that landscape, character and amenity values are protected thus balancing the environmental, social, economic and cultural needs of the District.

<b><i>Proposed Objective</i></b>	<b><i>Appropriateness</i></b>
<b>13.3.11 (Rural Zone) Objective 11</b>  <b><i>Enable rural industrial activities within specific locations, which support farming and rural productive activities, while protecting, maintaining and enhancing rural character, amenity and landscape values.</i></b>	Consistent with Goals 1, 3 and 5 of the draft Strategic Directions chapter.  Gives effect to RPS objectives 5.4.1, 5.4.2 and 5.4.3 and policies 5.5.2, 5.5.3, 5.5.4 and 5.5.6 (Land).  Gives effect to RPS objectives 9.4.1 and 9.4.3 and policy 9.5.4 (Built Environment).

The above objective is considered to be the most appropriate method of achieving the purpose of the Act, as it identifies and gives direction as to the how the specific issues that pertain to the management of rural industrial activities within the Rural Zone are addressed.

## 7. Evaluation of the proposed provisions Section 32 (1) (b)

The below table considers whether the proposed provisions are the most appropriate way to achieve the relevant objective. In doing so, it considers the costs and benefits of the proposed provisions and whether they are effective and efficient. The proposed provisions are grouped by issue for the purposes of this evaluation.

(See also Table detailing broad options considered in Section 4, above)

**Issue : Managing Rural Industrial Activities**

**13.3.13 (Rural Zone) Objective 13 – Enable rural industrial activities within specific locations, which support farming and rural productive activities, while protecting, maintaining and enhancing rural character, amenity and landscape values.**

Summary of proposed provisions that give effect to this objective:

*Rural Policies*

- New policy (13.3.13.1) on the provision for rural industrial activities and buildings within specific locations.
- New policy (13.3.13.2) on the provision for limited ancillary retail and administrative activities within the Rural Industrial Sub Zone.

*Zoning Changes*

- Identification of a Rural Industrial Sub Zone.

*Rural Rules*

- Reference to the Rural Industrial Sub Zone added at 13.4.1(g) to clarify that all rules applicable to the Rural Zone apply to the Rural Industrial Sub Zone unless otherwise stated.
- Provisions (13.4.2.22 and 13.4.2.23) made within Table 1 for retail and office activities ancillary to rural industrial activities within the Rural Industrial Sub Zone.
- Provisions (13.4.2.33 to 13.4.2.35) added within Table 1 relating to Industrial Activities.
- Amendment to Rule 13.4.2.36 of Table 2 to exclude the Rural Industrial Sub Zone from the general internal boundary setback requirement.
- Table 8 added setting out Standards (13.4.2.62 to 13.4.2.66) for activities within the Rural Industrial Sub Zone.

*Definitions*

- New definition added for Rural Industrial Activities.

<b><i>Proposed provisions</i></b>	<b><i>Costs</i></b>	<b><i>Benefits</i></b>	<b><i>Effectiveness &amp; Efficiency</i></b>
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<p><b><u>Policies:</u></b></p> <p><i>Proposed Policy 13.3.13.1</i></p> <p><i>Provide for rural industrial activities and buildings within established nodes of industrial development while protecting, maintaining and enhancing landscape and amenity values.</i></p> <p><i>Proposed Policy 13.3.13.2</i></p> <p><i>Provide for limited retail and administrative activities within the Rural Industrial Sub-Zone on the basis it is directly associated with and ancillary to the Rural Industrial activity on the site.</i></p>	<p>The proposed policy encourages rural industrial activities to be undertaken within existing nodes of industrial development.</p> <p>If not carefully considered and appropriately defined this could result in the expansion and intensification of existing nodes of industrial development to a point where the landscape, character and amenity of the wider Rural Zone may be compromised.</p> <p>The proposed policy allows for some retail and administrative activities to be undertaken within the Rural Industrial Sub Zone which may result in an increased level of activity within the Sub Zone and on adjoining roads than might otherwise occur.</p>	<p>The proposed policy recognises the necessity for certain industrial activities to locate within the Rural Zone and directs those activities to locations within the zone where landscape, character and amenity values are less likely to be compromised.</p> <p>The proposed policy acknowledges that industrial activities generally include some form of ancillary retail or administrative activity and makes provision for such activities to occur within the Rural Industrial Sub Zone while making it clear that the Sub Zone is primarily intended for industrial activities and the nature and scale of ancillary activities will be limited.</p>	<p>The proposed policy is considered an effective and efficient means of achieving the proposed Objective in that it promotes the location of rural industrial activities in areas of the Rural Zone which are less sensitive to change while seeking to protect landscape and amenity values.</p> <p>The proposed policy is considered an effective and efficient means of ensuring that the primary purpose of the Rural Industrial Sub Zone is to provide for rural industrial activities while acknowledging that limited ancillary activities will be appropriate.</p>
<p><b><u>Zoning Changes:</u></b></p> <p><i>Proposed Rural Industrial Sub Zone</i></p>	<p>The identification of a Rural Industrial Sub Zone promotes the development and intensification of rural industrial activities within those areas.</p> <p>The degree of control which Council holds over rural industrial activities within the</p>	<p>The identification of a Rural Industrial Sub Zone provides a location within which rural industrial activities may be undertaken without the need for a costly and uncertain consent process.</p> <p>The direction of rural industrial activities</p>	<p>The identification of a Rural Industrial Sub Zone is considered an effective and efficient way of identifying areas of the Rural Zone where industrial activities can be located without resulting in adverse effects on the</p>



	<p>Rural Industrial Sub Zone will be reduced.</p> <p>The direction of rural industrial activities to locate within the Rural Industrial Sub Zone reduced the scope for rural industrial activities to be undertaken elsewhere in the Rural Zone.</p>	<p>towards the Rural Industrial Sub Zone will allow Council to better manage the adverse effects of industrial activities in the wider Rural Zone.</p>	<p>landscape and amenity values of the wider Rural Zone.</p>
<p><b><u>Proposed Rules:</u></b></p> <p><i>Rule 13.4.1(g)</i></p>	<p>It is considered that there is no cost associated with this rule.</p>	<p>The amendment of Rule 13.4.1(g) to make reference to the proposed Rural Industrial Sub Zone provided clarification on how the Rural Zone rules will be applied.</p>	<p>The proposed clarification is considered effective and efficient in that it avoids uncertainty as to how the rules will be applied and/or unnecessary repetition of rules.</p>
<p><i>Rules 13.4.2.22 and 13.4.2.23 – Table 1</i></p>	<p>Proposed Rules 13.4.2.22 and 13.4.2.23 provide for retail and office activities that are ancillary to industrial activities to be located within the Rural Industrial Sub Zone. This may result in a degree of activity within the Sub Zone and on the adjoining roads that might not otherwise occur.</p>	<p>It is likely that rural industrial activities located within the Rural Industrial Sub Zone will include some form of retail sales of goods produced on site and/or ancillary office activities.</p> <p>The provision for this through the proposed rules will avoid the need for additional resource consents for these ancillary activities.</p> <p>The scale and nature of ancillary retail activities can be controlled through proposed Rule 13.4.2.65.</p>	<p>It is considered that the inclusion of proposed Rules 13.4.2.22 and 13.4.2.23 is an effective and efficient means of providing for activities that are ancillary to, and support, the principal industrial activities that may be undertaken within the Sub Zone.</p> <p>Further control over the scale and nature of these ancillary activities can be provided through the proposed rules specifically relating to the Rural Industrial Sub Zone (Table 8).</p>
<p><i>Rules 13.4.2.33 to 13.4.2.35 – Table 1</i></p>	<p>Aside from the provision for Rural Industrial Activities to locate within specific areas of the Rural Zone it is considered that there is no cost associated with grouping the Table 1 rules relating to industrial activities as a separate sub group within Table 1.</p>	<p>Proposed Rule 13.4.2.33 provides for Rural Industrial Activities to be located within the Rural Industrial Sub Zone as a permitted activity and therefore achieves the proposed Objective.</p> <p>The creation of a sub group of rules, within Table 1, relating to industrial activities provides clarity and makes a distinction between</p>	<p>The proposed rules are considered an effective and efficient means of addressing industrial activities within Table 1.</p>

<p><i>Rule 13.4.2.36 – Table 2</i></p>	<p>The exclusion of the Rural Industrial Sub Zone from the general setback from internal boundaries rule effectively means that there will be no internal boundary setback for buildings within the Rural Industrial Sub Zone.</p> <p>This is likely to result in a reduced level of openness and amenity within the Sub Zone.</p>	<p>industrial activities from commercial activities.</p> <p>The exemption of the Rural Industrial Sub Zone from the general setback requirements acknowledges that the anticipated character and amenity of the Sub Zone will be different to that of the wider Rural Zone with a greater emphasis being placed on the provision of useable land than the protection of openness or amenity values within the Sub Zone.</p>	<p>The proposed exemption of the Rural Industrial Sub Zone from the general setback requirements is considered an effective and efficient means of maximising the land within the Sub Zone that can be actively used for rural industrial activities thus increasing the Sub Zones capacity to accommodate such activities and reducing pressure for the location of industrial activities in the wider Rural Zone.</p>
<p><i>Rules 13.4.2.62 to 13.4.2.66 – Table 8</i></p>	<p>The proposed rules provide for a reasonably significant degree of development within the Rural Industrial Sub Zone which may result in an increase in adverse environmental effects within the localized area of the Sub Zone.</p>	<p>The proposed rules provide for a reasonably significant degree of development within the Rural Industrial Sub Zone while setting limits, in terms of the scale of buildings and the nature of activities, beyond which more significant adverse effects on the landscape, character and amenity values of the wider Rural Zone might be generated.</p> <p>While the proposed Sub Zone does not include any internal boundary setback requirements proposed rule 13.4.2.64 requires that a setback is provided from the Sub Zone boundaries in order to ensure that the openness and amenity of the wider Rural Zone is not compromised.</p> <p>In addition proposed rule 13.4.2.65 sets a relatively tight limit on the extent of ancillary retail activities that may be undertaken within the Sub Zone, thus clarifying that the primary intent of the Sub Zone is to provide for rural industrial activities and that retail activities are only provided for to a limited extent.</p>	<p>The proposed rules within Table 8 are considered an effective and efficient means of providing for Rural Industrial Activities to be undertaken within the Rural Industrial Sub Zone, reducing costly and uncertain consent processes while protecting the landscape, character and amenity values of the wider Rural Zone.</p> <p>The proposed limits on retail activities will ensure that the primary purpose of the Sub Zone will be retained and that it does not become a de facto commercial zone.</p>

<i>Definition – Rural Industrial Activities</i>	It is considered that there is no cost associated with the addition of a definition of Rural Industrial Activities.	The addition of a definition of Rural Industrial Activities creates a distinction between Industrial and Rural Industrial Activities, making it clear that Rural Industrial Activities must be clearly aligned with rural productive activities.	The proposed definition underpins the creation of a Rural Industrial Sub Zone and is considered an effective and efficient means of ensuring that the Sub Zone meets its intended purpose.
<b><i>Alternative options considered less appropriate to achieve the relevant objectives and policies:</i></b>			
<i>Option 1: Status Quo</i>	<ul style="list-style-type: none"> <li>• <i>Maintaining the operative Rural General rules would be ineffective in terms of providing for rural industrial activities and reducing the cost and uncertainty for operators and landowners who wish to undertake industrial activities which have historically and by necessity been located within rural areas.</i></li> <li>• <i>Under the current provisions consent applications would continue to be received and processed on an ad hoc basis without any direction for such activities to locate within specific areas.</i></li> </ul>		
<i>Option 2: Retain and amend the operative provisions</i>	<ul style="list-style-type: none"> <li>• <i>Retaining and amending the operative provisions, to provide for rural industrial activities within the Rural Zone in a general, zone-wide sense would most likely fail to adequately protect landscape, character and amenity values or would require inefficient, case by case assessment.</i></li> </ul>		

## **8. Efficiency and effectiveness of the provisions**

The above provisions are drafted to specifically address the resource management issue identified with the current provisions, and to enhance those provisions that already function well. A number of areas of the existing chapter have been removed to aid the readability of the Plan by keeping the provisions at a minimum, whilst still retaining adequate protection for the resource.

By simplifying the objectives, policies and rules (the provisions), the subject matter becomes easier to understand for users of the Plan both as applicant and processing planner. Removal of technical or confusing wording, also encourages correct use. With easier understanding, the provisions create a more efficient consent process by reducing the number of consents required and by expediting the processing of those consents.

## **9. The risk of not acting**

It should be noted that the opportunity to rollover many of the existing provisions exists. This may also be improved by some minor amendments to the provisions in response to the resource management issue raised. Neither of these approaches reflect the current changing nature of the RMA with its drive to simplify and streamline. The District Plan is a forward planning mechanism and the opportunity to make bold changes in order to make a more noticeable difference. Not taking the more compact approach to this issue, will not advance the usefulness of the District Plan in pursuit of its function in the sustainable management of natural and physical resources.

### **List of Attachments:**

1. Plan of the Proposed Rural Industrial Sub Zone.