

SECTION 32 REPORT

Horticulture Processing Facilities Zone May 2022

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1 Executive Summary

The horticulture industry relies on a well-functioning and established supply chain and workforce to ensure produce can efficiently get to market. Horticulture processing facilities are a critical component of the supply chain. These large-scale horticulture processing facilities are established in the rural environment to support existing horticulture activities occurring nearby or in the wider district. Some of these facilities were established by a group of local growers who wanted to achieve economies of scale and provide processing, storage and distribution services for multiple growers in an area.

The purpose of the Horticulture Processing Facilities zone (HPFZ) is to recognise and provide for the operation of large-scale horticulture processing and storage facilities within the Far North District (District). These large-scale horticulture processing and storage facilities along with the horticulture growing sector play an important role and make a substantial contribution to the economic and social wellbeing of the District.

The key resource management issues associated with the Horticulture Processing Facilities Chapter are:

- These activities are typically located within an established network of horticulture activities in the rural environment. These facilities have the potential to generate potential adverse effects on the character and amenity of the surrounding locality if they are not managed appropriately.
- The spatial extent of this special purpose zone is geographically small. The functional and operation purpose of these facilities can be compromised by the development of inappropriate land use and subdivision.

The proposed management approach is not dissimilar to Operative Far North District Plan (**ODP**), except that structure and format changes are proposed to align with the PDP hybrid plan approach. Additionally, the spatial extent of the HPFZ has expanded to include additional horticulture processing and storage facilities in Kerikeri, Waipapa and a single site north of Awanui.

2 Introduction and Purpose

2.1 Purpose of report

This report provides an evaluation undertaken by the Far North District Council (**Council**) in preparation of district plan provisions for the special purpose Horticulture Processing Facilities zone (**HPFZ**) in the Proposed Far North District Plan (**PDP**). This assessment is required under section 32 of the Resource Management Act 1991 (**RMA**).

Section 32 of the RMA requires Councils to examine whether the proposed objectives are the most appropriate to achieve the purpose of the RMA and whether the provisions (i.e. policies, rules and standards) are the most appropriate way to achieve the objectives. This assessment must identify and assess environmental, economic, social, and cultural effects, benefits and costs anticipated from the implementation of the provisions. Section 32 evaluations represent an on-going process in RMA plan development and a further evaluation under section 32AA of the RMA is expected throughout the review process in response to submissions received following notification of the PDP.

While this report covers the provisions in the Horticulture Processing Facilities zone, the other closely related chapter to consider is Subdivision. The evaluation for these sections are set out in the section 32 report specific to each topic.

2.2 Overview of topic

The primary production industry has the largest workforce in Northland with the horticulture industry being a significant contributor¹. The purpose of the HPFZ is to recognise and provide for the operation of large-scale horticulture processing and storage facilities within the District. These large-scale horticulture processing and storage facilities along with the horticulture growing sector play an important role and make a significant contribution to the economic and social wellbeing of the District. The HPFZ provides for existing horticulture processing and storage facilities that are:

- Of scale that supports a range of growers;
- Are within an established network of horticulture growers; and
- Are in close proximity to strategic and significant transport infrastructure.

As highlighted earlier, the HPFZ is applied to sites with existing processing and storage facilities. Activities envisioned in this zone are for storage and/or processing of produce which includes cool stores, packing and distribution facilities as well as supporting administration. The characteristics of these operations are akin to heavy industry and have the potential to cause adverse noise, lighting, stormwater, traffic and amenity effects. Horticulture processing facilities can operate 24 hours a day at certain times of the year and generally require large-scale buildings and associated outdoor areas to support their function. However, they are differentiated from other industrial activities by their direct relationship with the rural environment and rural industry sector.

The proposed management approach is not dissimilar to Operative Far North District Plan (**ODP**), except that structure and format changes are proposed to align with the PDP hybrid plan approach. Additionally, the spatial extent of the HPFZ has expanded to include additional horticulture processing and storage facilities in Kerikeri, Waipapa and a single site north of Awanui. These are identified by Figures 1-4, and will result in a total area of 7.07 hectare (ha).

¹ https://profile.idnz.co.nz/far-north/industries



Figure 1: Seeka - 153 Waipapa Road, original site at 3.57ha (source: PDP)



Figure 2: Kainui - 517 Kerikeri Road, new site at 1.70ha (source PDP)



Figure 3: Orangewood Site - 311 Kapiro Road, new site at 1.53ha, (source PDP)_



Figure 4: Far North Packers - 1640 Far North Road, new site at 0.27ha (source PDP)

3 Statutory and Policy Context

3.1 Resource Management Act 1991

The **Section 32 Overview Report for the PDP** provides a summary of the relevant statutory requirements in the RMA relevant to the PDP. This section provides a summary of the matters in Part 2 of the RMA (purpose and principles) of direct relevance to this topic.

Section 74(1) of the RMA states that district plans must be prepared in accordance with the provisions of Part 2. The purpose of the RMA is the sustainable management of natural and physical resources which is defined in section 5(2) of the RMA as:

"...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 wellbeing, 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."

To achieve the purpose of the RMA, all those exercising functions and powers under the RMA are required to:

- Recognise and provide for the matters of national importance identified in section 6
- Have particular regard to a range of other matters in section 7
- Take into account the principles of the Treaty of Waitangi in section 8 of the RMA.

There are no specific matters of national important relevant to the HPFZ Chapter.

The following section 7 matters are directly relevant to the HPFZ Chapter:

- (b) The efficient use and development of natural and physical resources:
- (c) The maintenance and enhancement of amenity values:
- (d) Maintenance and enhancement of the quality of the environment:

3.2 Higher order planning instruments

Section 75(3) of the RMA requires district plans to give effect to higher order planning instruments – National Policy Statement (NPS), the New Zealand Coastal Policy Statement (NZCPS), National Planning Standards (Planning Standards) and the relevant Regional Policy Statement (RPS). The Section 32 Overview Report provides a more detailed summary of the relevant RMA higher order planning instruments relevant to the PDP. The sections below provide an overview of provisions in higher order planning instruments directly relevant to the HPFZ Chapter.

3.2.1 National Planning Standards

Section 75(3)(ba) of the RMA requires that district plans give effect to a Planning Standards. The Planning Standards were gazetted in April 2019 and the purpose is to assist in achieving the purpose of the RMA and improve consistency in the structure, format and content of RMA plans. The following standards and directions in the Planning Standards are of direct relevance to the HPZ Chapter. Of particular relevance to the horticulture and processing facilities discussed in this report is the Area Specific Matters Standard; Zone Chapters (**S-ZONES**).

In accordance with Mandatory Direction 8.3, an additional special purpose zone must only be created when the proposed land use activities or anticipated outcomes of the additional zone meet all of the following criteria:

- a. Are significant to the district, region or country;
- b. Are impractical to be managed through another zone;
- c. Are impractical to be managed through a combination of spatial layers.

The HPFZ will provide for higher levels of built development, noise, and light emission than would otherwise be enabled in the Rural Production zone. These greater allowances are not appropriate to be provided in the Rural Production zone generally, and these isolated sites do not meet the zone criteria for the PDP Heavy Industrial zone. The HPFZ is identified by a special purpose zone as it is considered impractical to identify and enable these areas by of a spatial layer or other control layer. Further, the ODP already provides for this special zone, for the site identified in Figure 1. For these reasons, the Horticulture Processing Facilities zone is included in the PDP as a special purpose zone.

3.2.2 National Policy Statements

Section 75(3)(a) of the RMA requires that district plans give effect to any NPS. Central Government have proposed a NPS for Highly Productive Land (NPS-HPL) that has some relevance to HPFZ Chapter. However, the final version NPS-HPL has been delayed by Central Government and therefore not currently in force for the purposes of this assessment. Nonetheless, while the HPFZ is located on highly versatile soils, there is an indirect relationship to these resources insofar as productive horticulture activities are undertaken on highly productive land. The NPS-HPL is focussed on maintaining the availability of highly productive land for the future of primary production. The HPFZ has been limited to existing facilities that are of scale and is confined to existing development with allowances to expand the existing facilities.

The proposed HPFZ Chapter is not considered to contravene the Draft NPS-HPL directions.

3.2.3 National Environmental Standards

Section 44 of the RMA requires local authorities to recognise NES by ensuring plan rules do not conflict or duplicate with provisions in a NES. There is no NES that are directly relevant to the HPZ Chapter.

3.2.4 Regional Policy Statement for Northland

Section 75(3)(c) of the RMA requires district plans to 'give effect' to any RPS. The RPS was made operative on 14 June 2018. The table below outlines the provisions in the RPS that are directly relevant to the HPZ Chapter.

RPS	
Objective 3.5	Enabling economic wellbeing
Objective 3.6	Economic activities – reverse sensitivity and sterilisation
Objective 3.8	Efficient and effective infrastructure
Objective 3.11	Regional form
Policy 5.1.3	Policy – avoiding the adverse effects of new use(s) and development
Policy 6.1.1	Regional and district plans

Over the five years to March 2019, the Far North has experienced growth in both nominal gross domestic product (GDP) and in GDP per capita². Horticulture and fruit growing was approximately

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https://www.mbie.govt.nz/business-and-employment/economic-development/regional-economic-development/modelled-territorial-authority-gross-domestic-product/modelled-territorial-authority-gdp-2020-release/

3.4% of the Far North's GDP for 2018³, which is approximately double that of the New Zealand average for the same industry sector.

Objectives 3.5 and 3.11 focus on enabling economic wellbeing through the management of natural and physical resources, specifically, they seek to improve wellbeing through attracting business and investment to grow employment opportunities for the people and communities of Northland. Objective 3.6 recognises there are activities and land that should be protected from the negative impacts of subdivision, use and development because of their importance to the economy. Collectively, these objectives come together to enable economic development through promoting investment, planned and coordinated development, and managing reverse sensitivity that can lead to regional economic development and improved wellbeing for people and communities. The HPFZ Chapter has taken into account these matters and is considered to be consistent with the directions of the RPS.

3.3 Regional Plan for Northland

Section 75(4)(b) of the RMA states that any district plan must not be inconsistent with a regional plan for any matter stated in section 30(1) of the RMA. The operative Northland Regional Plans and proposed Northland Regional Plan are summarised in the **Section 32 Overview Report**.

There are a number of regional plans for Northland that have been developed under the RMA. These include the Regional Water and Soil Plan, Air Quality Plan and the Coastal Plan. These plans contain no specific objectives, policies or rules which relate directly to HPFZ Chapter.

Proposed Regional Plan	
F.1.1	Freshwater quantity
F.1.2	Water quality
F.1.5	Enabling economic well-being (under appeal)
F.1.11	Improving Northland's natural and physical resources

The Proposed Regional Plan combines the operative Regional Plans (coastal, air quality, water and soil) into one. The PRP includes objectives and policies for the management of freshwater resources, including managing the quantity and quality of freshwater resources. The PRP also focuses on the economic vitality and wellbeing of Northland's people and communities. The objectives identified above broadly relate to horticulture growing and processing activities, in that the horticulture industry rely on freshwater resources to operate efficiently. In short, these objectives seek to ensure Northland's natural and physical resources are managed in a way that attracts investments and business opportunities to the region to improve the wellbeing of people and the communities. The HPFZ Chapter is not considered to overlap or be in conflict with the objectives and policies in the PRP.

3.4 Iwi and Hapū Environmental Management Plans

When preparing and changing district plans, Section 74(2A) of the RMA requires Council to take into account any relevant planning document recognised by an iwi authority and lodged with the territorial authority, to the extent that its content has a bearing on the resource management issues of the district. At present there are 13 iwi planning documents accepted by Council which are set out and summarised in the Section 32 Overview Report. The key issues in these plans that have been taken into account in the preparation of the provision for Horticulture Processing Zone are as follows:

 $[\]frac{1}{2} \frac{\text{http://webrear.mbie.govt.nz/theme/primary-sector-shares-of-regional-gdp/map/timeseries/2018/far-north/horticulture-and-fruit-growing?accessedvia=northland&left-zoom=1&right-transform=absolute}{\text{http://webrear.mbie.govt.nz/theme/primary-sector-shares-of-regional-gdp/map/timeseries/2018/far-north/horticulture-and-fruit-growing?accessedvia=northland&left-zoom=1&right-transform=absolute}{\text{http://webrear.mbie.govt.nz/theme/primary-sector-shares-of-regional-gdp/map/timeseries/2018/far-north/horticulture-and-fruit-growing?accessedvia=northland&left-zoom=1&right-transform=absolute}{\text{http://webrear.mbie.govt.nz/theme/primary-sector-shares-of-regional-gdp/map/timeseries/2018/far-north/horticulture-and-fruit-growing?accessedvia=northland&left-zoom=1&right-transform=absolute}{\text{http://webrear.mbie.govt.nz/theme/primary-sector-shares-of-regional-gdp/map/timeseries/2018/far-north/horticulture-and-fruit-growing?accessedvia=northland&left-zoom=1&right-transform=absolute}{\text{http://webrear.mbie.govt.nz/theme/primary-sector-shares-of-regional-gdp/map/timeseries/2018/far-north/horticulture-and-fruit-growing?accessedvia=northland&left-zoom=1&right-transform=absolute}{\text{http://webrear.mbie.govt.nz/theme/primary-sector-shares-of-regional-gdp/map/timeseries/2018/far-north/horticulture-and-fruit-gdp/map/timeseries/2018/far-north-gdp/map/timeseries/2018$

 Wai Māori (freshwater resources) – freshwater resources, including waterbodies and underground aquifers are important natural resources to Māori because of so social, cultural and environmental values associated with them. In particular, the environmental management plans are concerned with the potential adverse effects of overallocation and discharge associated with these activities on the mauri of these water resources. This can arise from horticulture growing and processing activities associated with the horticulture industry.

These matters have been considered in the HPFZ chapter provisions for the management of stormwater and impermeable surfaces. Appropriate consideration of potential adverse effects on the mauri of nearby waterbodies has been incorporated into relevant matters of discretion.

3.5 Other Legislation and Policy Documents

When preparing or changing a district plan, section 74(2)(b)(i) of the RMA requires council to have regard to management plans and strategies prepared under other Acts to the extent that it has a bearing on resource management issues of the district. The **Section 32 Overview Report** provides a more detailed overview of strategies and plans prepared under legislation that are relevant to PDP. There are no other legislation, policy documents or non-statutory plans that are relevant to this HPFZ chapter.

4 Current State and Resource Management Issues

This section provides an overview of the relevant context for horticulture processing facilities, current approach to manage the HPFZ through the ODP, and key issues raised through consultation. It concludes with a summary of the key resource management issues for the HPFZ chapter to be addressed through the PDP.

4.1 Context

The economy of the Far North is low in GDP per capita, with high unemployment and low incomes when compared with other districts in New Zealand. Primary production (forestry, agriculture and horticulture) and supporting industries account for approximately 10% of the Districts GDP, with horticulture accounting for approximately one third of the 10%⁴.

The horticulture industry relies on a well-functioning and established supply chain and workforce to ensure produce can efficiently get to market. Horticulture processing facilities are a critical component of the supply chain. These horticulture processing facilities are established in the rural environment and near operating orchards; which is why they're not found in industrial or commercial areas.

Horticulture processing facilities have the potential to generate adverse effects such as noise, lighting, stormwater, traffic and amenity effects. Horticulture processing facilities can operate 24 hours a day at certain times of the year and generally require large-scale buildings and associated outdoor areas to support their function.

4.2 Operative District Plan Approach

4.2.1 Summary of current management approach

The ODP approach is limited and only applies to a single site, now owned by Seeka located at 153 Waipapa Road, in Kerikeri. This site is approximately 7ha and comprises the largest horticulture processing facility in the District. These facilities typically employ seasonal workforces that provide services from the orchard to the packhouse and offer processing, logistics and market expertise to growers in the local horticulture industry. The ODP Horticulture Processing zone includes greater allowances for building and impermeable surface coverage, higher noise levels, and permits up to 200

⁴ https://ecoprofile.infometrics.co.nz/Far%20North%20District/PDFProfile#h14

traffic movements. The ODP approach also includes rules to manage reverse sensitivity and to manage visual amenity values on the surrounding environment. Where compliance cannot be met, resource consent is required as a controlled, restricted discretionary or discretionary activity. Overall, the framework allows greater flexibility for building intensity, siting and design, hours of operation and traffic movements.

The Subdivision framework in the OPD allows for the creation of small lots ranging from 4,000m2 as controlled and 2,000m2 as discretionary. It is limited to the creation of 3 lots within any subdivision and makes reference to the lots being for horticultural processing activities.

4.2.2 Limitation with current approach

Council has reviewed the current ODP approach, which has been informed by internal workshops and feedback from the community and stakeholder feedback.

A number of limitations with the current ODP approach have been identified through this process, including:

- The ODP only applies to one site, which has undertaken development on approximately 30% of the site.
- There are a number of other horticulture processing facilities that are of a size, scale and intensity that are similar to that of the already zoned Horticulture Processing which are not appropriately provided for.
- The subdivision framework allows for the creation of lots, which are of an insufficient size to support the scale of buildings / outdoor area required to support horticulture processing facilities of this scale.

4.3 Key issues identified through consultation

The **Section 32 Overview Report** provides a detailed overview of the consultation and engagement Council has undertaken with tangata whenua, stakeholders and communities throughout the District to inform the development of the PDP and the key issues identified through this consultation and engagement. This section provides an overview of key issues raised through consultation in relation to HPFZ Chapter and a summary of advice received from iwi authorities on HFPZ Chapter.

4.3.1 Summary of issue raised through consultation

There was a low level of interest in HPFZ Chapter from the community through consultation and engagement of the PDP. Key issues identified through this process include:

• Horticulture New Zealand (Hort NZ) – The Draft Plan has included three additional sites for inclusion in the HPZ framework, being two sites in Kerikeri/Waipapa and one north of Awanui. Hort NZ generally supports the intent of the HPFZ to enable the on-going operation of existing horticulture processing facilities and to protect these operations from potential reverse sensitivity effects. However, Hort NZ did raise some concern regarding the spatial extent in the Draft Plan, noting that these sites are generally small, and are at or near maximum development capacity. Hort NZ suggest that sites could be extended to allow for expansion, as well as allowing for new sites to be identified in specific areas to support emerging horticulture networks throughout the District. Additionally, they raised concerns about the proposed setbacks and combined building and impervious surface coverage threshold.

In response to the above it is noted that:

The spatial extent of the HFPZ has been intentionally limited to sites that have existing
operations that are of a size, scale and intensity that provide processing services for a range
of growers. The PDP approach provides for additional sites where the operations are
established, and the effects of these activities are known and form part of the existing
environment.

• In terms of built development capacity, this feedback has been considered and generally accepted, in that coverage in the PDP approach has been reverted to the permitted standards in the ODP.

4.3.2 Summary of advice from iwi authorities

Section 32(4A)(a) of the RMA requires that evaluation reports include a summary of advice on a proposed plan received from iwi authorities. The **Section 32 Overview Report** provides an overview of the process to engage with tangata whenua and iwi authorities in the development of the PDP and key issues raised through that process.

No feedback from iwi authorities was received in relation to the HFPZ Chapter.

4.4 Summary of resource management issues

Horticulture processing facilities were not specifically identified as a Significant management Resource Issue in the development of the PDP; however, these facilities and activities are linked to a number of SMRI. Horticulture processing facilities are a critical component to the horticulture industry, supply chain, and the overall contribution of the horticulture sector to the District's economy. However, potential adverse effects arising from these activities have the potential relate to a wide range of resource management issues which have been detailed below.

Based on the analysis of relevant context, current management approach, and feedback from consultation, the key resource management issues for the HPFZ Chapter to be addressed through the PDP are:

- Rural Sustainability There are competing demands for a range of land use activities within
 the rural environment in the District. Productive activities, including horticulture processing
 and growing activities, provide a significant economic benefit to the District, however
 incompatible and conflicting land uses can constrain the use of rural land for productive
 purposes.
- Urban Sustainability A permissive approach to development has led to adverse impacts on
 urban character, amenity and infrastructure which has resulted in incompatible land uses.
 There are a number of commercial and industrial activities throughout the District which have
 located on un-serviced rural land due to lower development costs and minimal regulation.
 The PDP needs to include a range of zoning provisions that provide for a range of activities
 while ensuring development is undertaken in a planned, coordinated and affordable manner
 that manages community expectations while recognising industry specific needs.
- Tangata Whenua Partnership Council have established relationships and partnerships with iwi and hapū throughout the District and have supported the creation of a number of iwi and hapū management plans. As highlighted in section 3.4 Iwi and hapū management plans identify concerns regarding a lack of controls related to horticulture activities, particularly as they relate to water allocation, discharges, stormwater management and the use of sprays. The PDP needs to strike the balance between maintaining good relationships with iwi and hapū groups, while allowing for the efficient use of land and mineral resources.
- Hazard Resilience and Climate Change The Far North has a history of settlement in
 floodplains and near the coast which has exacerbated risk relating to climate change and
 natural hazards. The provision of existing and new horticulture processing facilities need to
 consider hazard resilience and climate change. If undertaken in inappropriate locations, these
 can result in the further exacerbation of vulnerability to hazards and climate change.

5 Proposed District Plan Provisions

The proposed provisions are set out in the HPFZ Chapter of the Proposed Far North District Plan. These provisions should be referred to in conjunction with this evaluation report.

5.1 Strategic Objectives

The PDP includes a strategic direction section which provides high level direction on the strategic or significant matters for the District and objectives to guide strategic decision-making under the PDP. The strategic objectives of direct relevance to Horticulture Processing Facilities are:

- **SD-SP-O3** Encourage opportunities for fulfilment of our cultural, spiritual, environmental, and economic wellbeing.
- **SP-EP-04** Protection of versatile soils from inappropriate development to ensure their production potential for generations to come.
- **SD-ECP-O2** Existing industries and enterprises are supported and continue to prosper under volatile and changing economic conditions.

5.2 Proposed Management Approach

This section provides a summary of the proposed management approach for horticulture processing facilities focusing on the key changes from the Operative District Plan. The **Section 32 Overview Report** outlines and evaluates general differences between the PDP provisions and Operative District Plan, includes moving from an effects-based plan to a 'hybrid plan' that includes effects and activities-based planning and an updated plan format and structure to align with the national planning standards.

The main changes in the overall proposed management approach are:

- Establishment of a special purpose zone for Horticulture Processing Facilities.
- Change the name of the zone to Horticulture Processing Facilities.
- Clear articulation of the anticipated outcomes and overall purpose of the zone, with clear policy direction.
- New definition for "Horticulture Processing Facilities".
- Provision for limited land use and subdivision to manage competing land use, reverse sensitivity, and land fragmentation.
- Inclusion of additional sites for Horticulture Processing Facilities.
- Location of noise provisions in the Noise Chapters to align with the Planning Standards.
- Location of subdivision provisions within the Subdivision Chapter to align with the Planning Standards.

The sections below provide a high-level summary of the objectives, policies, and rules and other methods for Horticulture Processing Facilities.

5.3 Summary of proposed objectives and provisions

This section provides a summary of the proposed objectives and provisions which are the focus of the section 32 evaluation in section 7 and 8 of this report.

5.3.1 Summary of objectives

The proposed management approach for horticulture processing facilities includes objectives that:

- Recognise and enable horticulture processing facilities and their contribution to the social and economic wellbeing of the District.
- Provide for the functional and operational purpose of horticulture processing facilities while management potential adverse effects on the character and amenity of surrounding sites.
- Horticulture processing facilities are supported by appropriate infrastructure.

• Potential reverse sensitivity effects are managed to protect the long-term and functional needs of the horticulture processing facilities.

5.3.2 Summary of provisions

For the purposes of section 32 evaluations, 'provisions' are the "policies, rules, or other methods that implement, or give effect to, the objectives of the proposed plan or change".

The proposed management approach for horticulture processing facilities includes policies that:

- Enable buildings, structures and activities associated with horticulture processing facilities while managing potential adverse effects on the surrounding environment.
- Manage stormwater runoff by utilising low impact design principles, assessing the impacts on Council's reticulated network and addressing any flood hazards.
- Manage incompatible land uses that may compromise the function and purpose of horticulture processing facilities.
- Ensure horticulture processing facilities are appropriately serviced.
- Manage the removal of shelterbelts to maintain the character and amenity values of the surrounding locality.

The proposed management approach for horticulture processing facilities includes rules and standards that:

- Permit the new horticulture processing facilities, accessory buildings and structures, and undertake additions and alterations when they comply with the following standards:
 - Maximum height;
 - Height in relation to boundary;
 - Setback from boundaries;
 - Setback from waterbodies;
 - Coverage;
 - Fencing and boundary walls;
 - Outdoor storage; and
 - o Landscaping.
- Provide for the removal of shelterbelts as controlled activity, where it can be demonstrated that no screening is required, there are no noise or light spill effects, and the character and amenity values of the surrounding locality is maintained.
- The standards detailed above manage bulk and location of buildings, structures, and outdoor storage areas to ensure potential effects within the zone do not adversely affect the character and amenity values of the surrounding locality. Where compliance with these performance standards cannot be met, resource consent as a restricted discretionary activity is required.
- Residential activities, industrial activities, and commercial activities are a non-complying
 activity when they are not provided as a permitted activity. This is to limit the types of
 activities that can establish in the Horticulture Processing Facilities Zone due to the limited
 spatial extent of this framework.

The proposed management approach for horticulture processing facilities also involves the following methods to implement and give effect to the objectives:

- Horticulture Processing Facilities zone.
- New definition for "Horticulture Processing Facilities".

5.3.3 Responding to advice from iwi authorities

Section 32(4A) of the RMA requires evaluation reports to summarise advice received from iwi authorities on a proposed plan and the response to that advice, including any provisions that are intended to give effect to the advice. No advice relating directly to horticulture processing facilities has been received.

6 Approach to Evaluation

6.1 Introduction

The overarching purpose of section 32 of the RMA is to ensure all proposed statements, standards, regulations, plans or changes are robust, evidence-based and are the most appropriate, efficient and effective means to achieve the purpose of the RMA. At a broad level, section 32 requires evaluation reports to:

- Examine whether the objectives in the proposal are the most appropriate to achieve the purpose of the RMA.
- Examine whether the provisions are the most appropriate way to achieve the objectives through identifying reasonably practicable options and assessing the efficiency and effectiveness of the provisions, including an assessment of environment, economic, social and cultural economic benefits and costs.

These steps are important to ensure transparent and robust decision-making and to ensure stakeholders and decision-makers can understand the rational for the proposal. There are also requirements in section 32(4A) of the RMA to summarise advice received from iwi authorities on the proposal and the response to that advice through the provisions.

6.2 Evaluation of scale and significance

Section 32(1)(c) of the RMA requires that evaluation reports contain a level of detail that corresponds with the scale and significance of the environmental, economic, social and cultural effects that are anticipated from the implementation of this proposal. This step is important as it determines the level of detail required in the evaluation of objectives and provisions so that it is focused on key changes from the status quo.

The scale and significance of the environmental, economic, social and cultural effects of the provisions for horticulture processing facilities are evaluated in the table below.

Criteria	Comment	Assessment
Raises any principles of the Treaty of Waitangi	It is considered that the provisions will not raise any issues in relation to the Treaty of Waitangi. In the context of this evaluation, the scale and significance of the objective is considered to be low.	Low
Degree of change from the Operative Plan	The HPFZ will be provided by way of a Special Zone, which is consistent with the with the Special Areas of the ODP. Amendments have been made to reflect the Planning Standards and electronic plan format. Three new sites (Figure's 2-4) have been identified and will be zoned accordingly. Additionally, the subdivision rules will prevent land fragmentation and create lots of a size that can support these large-scale industrial activities.	Low – medium
Effects on matters of national importance	The horticulture processing facility located on Waipapa Road is partially affected by 1 in 100-year flood hazard area overlay. The Natural Hazards Chapter includes appropriate provisions to manage land use and subdivision if required.	Low

Criteria	Comment	Assessment
Scale of effects – geographically (local, district wide, regional, national).	The proposed zone will apply to one existing and three additional sites. The spatial extent will be approximately 10.4ha. Scale of effects is considered to be low.	Low
Scale of people affected – current and future generations (how many will be affected – single landowners, multiple landowners, neighbourhoods, the public generally, future generations?).	The scale of current and future generation considered to be affected are the landowners of the sites, and owners of adjoining land.	Low
Scale of effects on those with specific interests, e.g., Tangata Whenua	Horticulture industry sector groups are considered to have specific interest.	Low
Degree of policy risk – does it involve effects that have been considered implicitly or explicitly by higher order documents? Does it involve effects addressed by other standards/commonly accepted best practice?	The proposed zone has some relevance to the RPS, however the RPS directions are general and have considered to be appropriately addressed in the PDP framework. The horticulture processing facilities provisions are considered to pose low policy risk due to the location of these facilities and the existing operation and scale of these facilities.	Low

6.3 Summary of scale and significance assessment

Overall, the scale and significance of the effects from the proposal is assessed as being low. Consequently, a low level of detail is appropriate for the evaluation of the objectives and provisions for Horticulture Processing Facilities Zone in accordance with section 32(1)(c) of the RMA. This evaluation focuses on key changes in the proposed management approach from the operative district plan - minor changes to provisions for clarification and to reflect new national and regional policy direction are not included in the evaluation in section 7 and 8 below.

7 Evaluation of Objectives

Section 32(1)(a) of the RMA requires that the evaluation report examine the extent to which the objectives of the proposal are the most appropriate way to achieve the purpose of the RMA. The assessment of the appropriateness of the objectives for horticulture processing facilities is against four criteria to test different aspects of 'appropriateness' as outlined below.

Criteria	Assessment	
Relevance	Is the objective directly related to a resource management issue?	
	 Is the objective focused on achieving the purpose of the RMA? 	
Usefulness	Will the objective help Council carry out its RMA functions?	
	Does the objective provide clear direction to decision-makers?	
Reasonableness	Can the objective be achieved without imposing unjustified high costs on Council, tangata whenua, stakeholders and the wider community?	
Achievability	Can the objective be achieved by those responsible for implementation?	

Section 32 of the RMA encourages a holistic approach to assessing objectives rather than necessarily looking each objective individually. This recognises that the objectives of a proposal generally work inter-dependently to achieve the purpose of the RMA. As such, the objectives for horticulture processing facilities have been grouped in the evaluation below.

7.1 Evaluation of existing objectives

Objective(s):

18.4.3.1 To provide for the needs of the horticultural processing industry, while protecting the character and amenity of the surrounding area.

18.4.3.2 To avoid, remedy or mitigate adverse effects of new or additional horticultural processing facilities in the zone.

18.4.3.3 To avoid, remedy or mitigate adverse environmental effects of activities on adjoining land.

Relevance	The objectives recognise the need to provide for horticultural processing industry, while ensuring these facilities manage potential adverse effects on adjoining land. These existing objectives generally relate to Sections 7(c) and (e) of the RMA that direct Council to maintain and enhance amenity values and the quality of the environment.
Usefulness	The objectives are considered to be clear and provide useful direction, however there are a number of gaps in the framework to ensure appropriate protections are in place to manage activities that may inhibit the function and purpose of the zone.
Reasonableness	The objectives promote a high degree of flexibility for horticulture processing facilities. Compliance costs are generated through development where compliance with the relevant provisions cannot be met. These will also trigger costs for Council where consenting or monitoring is required.
Achievability	The objectives are considered to be achievable.

Overall evaluation

Overall, the existing objectives still remain relevant, useful and are considered reasonable and achievable. However, there is considered to be a number of gaps to ensure appropriate on-site management is undertaken to internalise potential adverse effects on the surrounding locality. Additionally, the existing objectives fail to manage reverse sensitivity effects and potential land sterilisation that could result from the development of incompatible land uses.

7.2 Evaluation of proposed objectives

Objective(s):

HPFZ-O1: Horticulture processing facilities are recognised for their contribution to the social and economic wellbeing of the District and are managed to ensure their long-term protection.

HPFZ-O2: The Horticulture Processing Facilities zone enables the storage, processing, packing and distribution of produce including ancillary facilities, while:

- a. containing adverse effects onsite;
- b. addressing the adverse effects on the supporting roading network.

HPFZ-O3 Land use and subdivision in the Horticulture Processing zone is supported by appropriate infrastructure

HPFZ-O4 Land use and subdivision in the Horticulture Processing Facilities zone manages potential reverse sensitivity effects that may occur within the zone and at the zone interface.

Relevance	In the context of horticulture processing facilities, the proposed objectives are designed to recognise these facilities, enable their function and operation, while managing potential adverse effects on the surrounding environment. In turn, these horticulture processing facilities will continue to contribute to the economic and social wellbeing of the District.
Usefulness	The proposed objectives are considered to give clear direction to the community, horticulture processing facilities and Council decision makers when managing development within the proposed zone. Additionally, the objectives align with the direction of the RPS to enable and attract economic investment to the District.
Reasonableness	The proposed objectives and subsequent provisions are considered to be reasonable and relevant in the context of the RMA, and are unlikely to impose unreasonable costs on the facilities and the wider community.
Achievability	The proposed provisions specifically seek to enable large scale horticulture processing facilities, and where appropriate provide for compatible activities. It is considered that the objectives are achievable, under the PDP, as there is clearer direction and expected outcomes sought across the different zone environments. They provide clear direction of anticipated outcomes to the wider community, and signal strategic importance to both operators and Council decision-makers.

Overall evaluation

The objectives outline the outcomes anticipated for the Horticulture Processing Facilities Zones and address the resource management issues identified by recognising the contribution these facilities make to the social and economic wellbeing of the District. The objectives also balance the requirements of these facilities with the need to ensure that any corresponding adverse effects on the environment are appropriately managed and, conversely, that their operation is not unduly compromised by incompatible activities or those that might generate reverse sensitivity effects, the latter of which will be managed through provisions applying District wide. Overall, they are considered to achieve the purpose of the RMA, while introducing clear directions for the management of horticulture processing facilities. Additionally, this approach aligns with the directions set in the Planning Standards and give effect to the policy direction outlined in the RPS for economic enablement.

8 Evaluation of Provisions to Achieve the Objectives

8.1 Introduction

Section 32(1)(b) of the RMA requires the evaluation report to examine whether the provisions are the most appropriate way to achieve the objectives by:

- (i) identifying other reasonably practicable options for achieving the objectives; and
- (ii) assessing the efficiency and effectiveness of the provisions in achieving the objectives; and
- (iii) summarising the reasons for deciding on the provisions.

When assessing the efficiency and effectiveness of the provisions in achieving the objectives, section 32(2) of the RMA requires that the assessment:

- (a) identify and assess the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions, including the opportunities for—
 - (i) economic growth that are anticipated to be provided or reduced; and
 - (ii) employment that are anticipated to be provided or reduced; and
- (b) if practicable, quantify the benefits and costs referred to in paragraph (a); and
- (c) assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.

This section provides an assessment of reasonably options and associated provisions (policies, rules and standards) for achieving the objectives in accordance with these requirements. This assessment of options is focused on the key changes from the status quo as outlined in the 'proposed management approach' in section 5 of this report.

Each option is assessed in terms of the benefits, costs, and effectiveness and efficiency of the provisions, along with the risks of not acting or acting when information is uncertain or insufficient. For the purposes of this assessment:

- *effectiveness* assesses how successful the provisions are likely to be in achieving the objectives and addressing the identified issues
- *efficiency* measures whether the provisions will be likely to achieve the objectives at the least cost or highest net benefit to society.

The sections below provide an assessment of options (and associated provisions) for achieving the objectives in accordance with sections 32(1)(b) and 32(2) of the RMA.

8.2 Quantification of benefits and costs

Section 32(2)(b) of the RMA requires that, where practicable, the benefits and costs (environmental, economic, social and cultural) of a proposal are quantified. The requirement to quantify benefits and costs if practicable recognises it is often difficult and, in some cases, inappropriate to quantify certain costs and benefits through section 32 evaluations, particularly those relating to non-market values.

As discussed in section 6.2, the scale and significance of the effects of proposed changes for horticulture processing facilities are assessed as being low. Therefore, exact quantification of the benefits and costs of the different options to achieve the objectives is not considered to be necessary or practicable for horticulture processing facilities zone. Rather this evaluation focuses on providing a qualitative assessment of the environmental, economic, social and cultural benefits and costs anticipated from the provision.

8.3 Evaluation of options

8.3.1 Option 1: Remove special purpose zone and adopt the PDP Heavy Industrial zone

Option 1: Remove the special purpose zone provisions from the PDP and replace zoning and associated provisions with a Heavy Industrial Zone (HIZ).

Benefits Costs Risk of acting / not acting

- Reduce the number of special zones within the PDP to simplify the overall approach and improve plan consistency.
- The HIZ provides for a range of industrial activities, that are similar in nature to the horticulture processing facilities.

Economic growth and employment opportunities

• This approach will provide for a range of industrial activities in the rural environment and will be applied to existing large scale horticulture processing facilities across the District. It will support the functional needs of these facilities allowing their ongoing operation and ensuring that these facilities are able to provide for continued services that are critical to the horticulture industry supply chain. This approach will also ensure continued employment and where expansion occurs, enable the generation of increased employment opportunities.

- The current HIZ does not provide specifically for Horticulture Processing Facilities.
- This approach will result in 'spot-zoning' of the HIZ.
- The HIZ allows for subdivision of land down to much smaller lot sizes, this has the potential result in fragmentation issues whereby horticulture processing facilities are no longer viable.
- The HIZ allows for a range of activities which may unintentionally undermine the purpose of these horticulture processing facilities.

Economic growth and employment opportunities

• Should the viability of these facilities be compromised due to competing activities, there is the potential for loss of employment both at the facility and could have downstream impacts on other parts of the supply chain. Additionally, this approach allows the continued inappropriate development of industrial activities within the rural environment, having the potential to undermine the purpose and viability of the District's existing industrial areas.

- Option 1 presents a medium to high degree of risk if acted on. There are two main issues with this approach, the first relating to the robustness of the HIZ framework identification criteria. Spot zoning industrial sites in the rural environment that are unserviced, and clustered with other industrial activities has the potential to undermine the integrity of the HIZ framework and contravene the directions of the RPS. Should spot zoning be allowed, this may result in other landowners who operate activities that are industrial in nature seeking HIZ zoning.
- Secondly, this approach will continue to allow the development of industrial activities in the rural environment. This will fail to address the SRMI's for Rural Sustainability, Urban Sustainability and Affordable Infrastructure.
- Additionally, this approach has the potential to compromise the effective and efficient operation of Horticulture Processing Facilities, as it will allow for activities that are not strictly for this purpose to establish.

Effectiveness

• The HIZ provisions enable a range of industrial activities. Although there may contain adequate enablement to support the ongoing use of horticulture processing facilities, there is the potential to generate higher levels of adverse effects on the character and amenity values surrounding locality, where a site does not adjoin the Rural Production zone. This is due to the permissive siting and design standards provided by the HIZ provisions. While the HIZ may be effective in the enablement of horticulture processing facilities, adverse effects of the surrounding locality may not be adequately managed.

Efficiency

- The risks and costs associated with Option 1 raise some concerns, in that there is
 the potential to both compromise the purpose of these facilities by introducing a
 more permissive framework, and that the inclusion of these isolated sites may
 compromise the integrity of the HIZ framework.
- The costs and risk associated with Option 1 are considered to outweigh the benefits in achieving the purpose of the RMA.

Overall evaluation

On balance this option is not considered to be the most appropriate option to achieve the objectives because:

- The LIZ provisions are not considered to be appropriate for these isolated locations, which have the potential to cause adverse effects on the surrounding locality.
- These sites are not connected and there are no plans to connect these sites to Council's three waters services. This is a fundamental criterion for determining whether areas in the PDP receive HIZ. Allowing spot zoning has the potential to undermine these criteria.
- Option 1 does not adequately address the Urban Sustainability, Rural Sustainability and Affordable Infrastructure SMRI's identified in the PDP.
- The permissive nature of the HIZ provisions (e.g subdivision) has the potential to compromise the viability of these Horticulture Processing Facilities.

8.3.2 Option 2: Proposed approach

Option 2: The proposed Horticulture Processing Facilities zone enables the on-going operation and expansion of existing facilities. These operations are typically located in the rural environment at the centre of orchard and growing networks. The approach retains the majority of the ODP provisions of the Horticulture Processing Special Area while resolving implementation inconsistencies and ensuring compliance with National Planning Standards. Additionally, the PDP approach includes three additional horticulture processing facilities and changes to subdivision lot sizes.

Benefits Costs Risk of acting / not acting

- Recognises the role, function, and contribution of horticulture processing facilities to the horticulture industry supply chain, and their overall contribution to the social and economic wellbeing of the Far North District.
- Provides targeted provisions that enable the continued use and operation of large scale horticulture processing facilities, recognising the need to locate within the rural environment.
- Applies to existing horticulture processing facilities that
- This approach only provides for a limited number of activities, resulting in the need for resource consent as discretionary or noncomplying activity when they are not specifically provided for. This has the potential to increase compliance costs for landowners.
- This approach results in spot zoning, and in one case split zoning at the 517 Kerikeri Road site, as the site also contains an operating orchard.
- There is low risk associated with Option 2. The proposed special purpose Horticulture Processing Facilities Zone is a consistent implementation of the Horticulture Processing Special Area from the ODP which was established through the ODP process.
- Although the PDP identifies new sites, these are known and established facilities that already exist, operate and generate effects that are accepted within their locality. Further, the

provide a range of services to multiple growers and facilitate the processing and packing of produce to get to market.

- Establishes clear anticipated environmental outcomes expected within the HPFZ, while managing potential adverse effects on the character and amenity values of the surrounding locality.
- Manages potential reverse sensitivity and land sterilisation through the limiting the range of activities that can establish within the zone.
- Retains limited subdivision capability to manage the potential adverse effects of land fragmentation.
- Introduces horticulture processing facilities definition and associated permitted activity rules to enable existing facilities, while providing for redevelopment or expansion of existing facilities as a permitted activity.
- Manages the potential adverse effects on the character and amenity values of the surrounding locality through siting and design controls. Where compliance cannot be met, resource consent is required as a restricted discretionary activity.
- Introduces matters of discretion that ensure potential noise, and character and amenity of the surrounding locality are assessed and addressed.
- Identifies three additional sites (Figures 2-4 in section 2.2 of this report) that contain existing horticulture processing facilities that are of a scale and have the ability to process produce from multiple growers, are within an established horticulture industry network, and are within close proximity to transport networks.

Economic growth and employment opportunities

 Horticulture processing facilities are a critical component to the horticulture industry supply chain.
 They enable the processing and packing of fruits and vegetables produced in the Far North to get from orchard/land to market which contributes to the

Economic growth and employment opportunities

 There are no known costs that would compromise economic growth or employment opportunities associated with this option. existing facilities are legally established.

Districts GDP and supports a growing horticulture industry. The primary production sector makes up the largest portion of the District's workforce and attracts high levels of investment. The PDP approach enables the continued use and operation of these facilities, while providing for their expansion where horticulture activities are growing.

Effectiveness

• The PDP approach enables existing horticulture processing facilities to effectively achieve the social and economic wellbeing objectives of the zone. Additionally, this option recognises the unique relationship of these facilities to the rural environment, specifically the horticulture industry, and that they are required to establish and operate in a rural locality, with sufficient land area. Special purpose zoning allows for these activities to establish in rural locations, while upholding the integrity of the light industrial zone. This approach is considered to address the significant resource management issues of rural and urban sustainability.

Efficiency

• Option 2 is considered to be the most efficient approach to achieve the objectives and carries the least cost and risk.

Overall evaluation

On balance this option is considered to be the most appropriate option to achieve the objectives because:

- It establishes clear, concise anticipated environmental outcomes for horticulture processing facilities.
- Manages potential adverse effects on the character and amenity values of the surrounding locality.
- Manages land use and subdivision that have the potential to undermine the integrity, role and operational purpose of the horticulture processing facilities.
- Option 2 carries the lowest costs and potential risk.
- The PDP approach is considered to effectively and efficiently achieve the objectives, give effect to the economic enablement directions of the RPS and achieve the purpose of the RMA.

9 Summary

An evaluation of the proposed objectives and provisions for the Horticulture Processing Facilities has been carried out in accordance with section 32 of the RMA. This evaluation has concluded that the objectives are the most appropriate way to the achieve the purpose of the RMA and the provisions are the most appropriate way to achieve the objectives for the following reasons:

- The HPFZ objectives give effect to Part 2 of the RMA, give effect to relevant National Policy Statement and Regional Policy Statement policy direction.
- The HPFZ provisions will ensure amenity values and qualities of surrounding environments are maintained with appropriate rules and standards, ensuring appropriate setbacks are achieved, existing shelter belts are maintained, and requiring landscaping/fencing on road and zone boundaries.
- The HPFZ provisions are targeted to the enablement of horticulture processing facilities and restrict other activities that have the potential conflict with the function and purpose of the zone.
- Subdivision provisions will support the continued operation of horticulture processing facilities, and not result in land fragmentation that could create potential conflicts with the function and purpose of the zone.
- Where compliance cannot be achieved, resource consent as a restricted discretionary, discretionary or non-complying activity is required. This will ensure a suitable level of scrutiny can be applied when resource consent is sought for activities that have the potential to compromise the purpose of the zone.

Overall, it is considered that the proposed provisions are the most appropriate given that the benefits outweigh the costs, and there are considerable efficiencies to be gained from adopting the preferred provisions.