

SECTION 32 REPORT

Rural Environment

May 2022

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1 Executive Summary

The report provides an evaluation of the proposed provisions in the Rural Production, Rural Lifestyle, Rural Residential and Horticulture zones (**Rural zones**) of the Proposed Far North District Plan (**PDP**) in accordance with section 32 of the Resource Management Act 1991 (**RMA**). The approach in the Operative District Plan (**ODP**) has been to enable a wide range of primary and non-primary production activities and to have a permissive subdivision framework for the rural environment. This has resulted in land fragmentation, loss of highly productive land, reverse sensitivity issues and uncoordinated urban development. The Far North District Council (**Council**) has subsequently been under pressure to provide infrastructure to support these activities based on expectations from those living on small rural lots that they would have access to an urban standard of services, which in turn has financial implications for the district.

The approach in the PDP is to protect the rural environment for its primary production and rural amenity values. The list of activities enabled in the Rural zones of the PDP have been integrated with those provided for in the urban and Heavy Industry zones to ensure that all potential activities in the District establish in the appropriate zone. Given the scale of the rural environment and the wide variety of activities that seek to locate there, it is important to direct the location of activities to the most appropriate parts of the rural environment to ensure best use of the District's most productive land and to avoid effects from incompatible activities locating in close proximity. The method to achieve this has been to use the following zones in the Rural Environment:

- Rural Production
- Horticulture
- Rural Lifestyle
- Rural Residential
- Settlement

The Settlement zone anticipates a level of development more akin to an urban environment, however the scale of the settlements, their location in the rural and coastal parts of the district and the lack of infrastructure such as wastewater mean that an urban zone is unsuitable. As the Settlement zone has elements of an urban environment in a rural setting and does not fit neatly into either the rural or urban section 32 reports it has been assessed in a separate s32 report. However, the Settlement zone plays a crucial role in supporting land uses within the rural environment and is part of the tool kit to provide for housing, commercial and industrial development, which supports the wider rural environment and the District's more dispersed rural farming and Māori communities.

1.1 Rural Production Zone

The Rural Production zone is the largest zone in the District and accounts for approximately 65% of all land. The purpose of this zone is to provide for primary production activities, including farming (which covers both horticulture and apiculture as well as pastoral farming), intensive indoor primary production, non-commercial farm quarrying and plantation forestry activities. It also provides for rural industry activities that support primary production and have a functional need to be in the rural environment. Additionally, it also supports other activities such as rural tourism, subject to the activity being complementary to the function, character, and amenity values of the rural environment.

The PDP Rural Production zone differs from the ODP approach in the following ways:

- A Subdivision framework focused on preventing further fragmentation of land to ensure it is available for primary production activities for current and future generations. This requires the minimum lot size in the Rural Production zone to increase to 40ha as a controlled activity and 8ha as a discretionary activity. This replaces the permissive framework that allowed rural lifestyle and rural residential sized lots, ranging in size from 2,000m² to 4ha, anywhere within the rural environment.
- Residential intensity rules to align with the new subdivision framework, as opposed to the ODP approach of providing for housing down to the scale of 1 dwelling per 2ha.
- Removal of subdivision rules that give grandfather clause development rights.
- No longer having a permitted status for commercial or industrial activities, unless the activity is related to the sale and manufacturing of produce grown on the same site, or a small-scale visitor accommodation, home business or education facility.
- Providing a restricted discretionary status for the expansion of existing mineral extraction activities, subject to the scale of change.
- Having a non-complying status for industrial activities and all other commercial activities not otherwise provided for in the zone (e.g. large format retail activities).
- A policy framework that protects highly productive land from sterilisation, and primary production activities from reverse sensitivity effects.
- A policy framework that requires subdivision and land use to avoid effects that are incompatible with the purpose, character, and amenity of the zone, avoid activities that do not have a functional need to be in the zone or result in the loss of highly productive land and avoid fragmentation of land into parcel sizes that are no longer able to support farming activities.
- Only provide for rural lifestyle development sized lots where there is an environmental benefit in terms of biodiversity protection and enhancement in perpetuity.

This zone incorporates land zoned General Coastal and Waimate North Special Area under the ODP. Refer to the Coastal Environment and Historic Heritage and Heritage Area Section 32 reports for information about the coastal and historic heritage values of these areas.

1.2 Horticulture Zone

The Horticulture zone is a special zone that has been created to address specific issues affecting the Kerikeri and Waipapa area. The purpose of this zone is to protect and support the existing significant horticulture sector located in this area and to provide for its expansion. A special zone has been used for this area because:

- The ODP enabled fragmentation of this highly productive land, which supports a significant horticulture industry for the district. To ensure this highly productive land remains in productive use, it needs to be more specifically protected from sterilisation compared to the Rural Production Zone.
- Horticultural activities are more susceptible to reverse sensitivity issues given the small size of the lots and the use of chemicals, which means the range of activities (particularly the level of residential activity in the zone) needs to be more limited than in other parts of the rural environment.
- This area is unique to the district due to the irrigation infrastructure investment, established horticulture sector and ancillary horticulture activities such as the large-scale horticulture processing facilities.
- This area is also being affected by high growth, with a demand for rural residential, rural lifestyle development and commercial / industrial development in the locations where the highly productive land is located.

The Horticulture zone differs from the OPD approach in the following ways:

- The land in the Horticulture zone was zoned Rural Production under the ODP, which enabled horticulture activities but did not protect the highly productive land or manage reverse sensitivity effects to ensure the long-term protection of either the finite soil resource, the regionally significant irrigation network or the horticulture sector's significant economic contribution to the district.
- A subdivision framework that provides for smaller lots compared to the Rural Production zone under the PDP (reflecting the existing fragmented land pattern and the fact that horticulture activities can still be productive and economically viable on smaller land parcels), with a minimum lot size of 10ha as a controlled activity and 4ha as a discretionary activity. However, this is still more stringent than the subdivision framework under the ODP that provided for rural lifestyle and rural residential lots ranging in size from 2,000m² to 4ha.
- Only a single residential unit is provided for per site.
- No longer having a permitted status for commercial or industrial activities, unless related to the sale and manufacturing of produce or plants grown on the same site.
- A policy framework that requires avoidance of land uses that are incompatible with the purpose, function, and character of the zone, that could compromise the use of highly productive land for horticulture activities, and do not have a functional need to be in the zone.
- A policy framework that requires subdivision to avoid fragmentation that would result in the loss of highly productive land for use by horticulture activities and ensures the long-term viability of the highly productive land resource to undertake a range of horticulture activities

The Horticulture zone does not prevent existing lawfully established activities from continuing to operate such as existing commercial, industrial, or residential activities, nor does it require a landowner to undertake a horticulture activity. It is simply providing a framework that supports horticultural use of the zone above other potential new activities or potentially incompatible activities seeking to expand. It also continues to support the owners of larger blocks of land undertaking other farming activities.

1.3 Rural Lifestyle Zone

The Rural Lifestyle zone has been created to provide for lifestyle development near some of the district's urban centres and to integrate with changes to the Rural Production zone Subdivision framework. This zone primarily covers land zoned Coastal Living under the ODP, however additional land has been zoned in the Kerikeri / Waipapa area due to the introduction of the Horticulture zone which restricts rural lifestyle development opportunities in that area. Similarly, some ODP Coastal Living areas have been expanded to increase the extent of the Rural Lifestyle zone to offset the removal of the right to subdivide Rural Lifestyle sized lots across the Rural Production zone. Additional areas added into the Rural Lifestyle zone include land from the Rural Production, Point Veronica and South Kerikeri Inlet zones.

The locations identified for the Rural Lifestyle zone focus on areas experiencing the most growth and demand for rural lifestyle development in the district. They are also located in areas that are close to key transport routes and have good access to services in nearby urban areas or settlements. The primary purpose of the zone is to enable people to undertake a residential activity, however the size of the lot sizes gives people the option of growing their own food or having a horse or stock at a domestic scale, while still enabling farming on larger lots.

The Rural Lifestyle zone differs from the OPD in the following manner:

- The ODP Coastal Living zone only covered land in the coastal environment identified by the ODP. The Rural Lifestyle zone includes areas of land, that are part of the coastal environment as identified in the PDP Coastal Environment Overlay, but also other parts of the District that

are inland. As such, the purpose of the zone has expanded from just rural lifestyle development in a coastal setting to rural lifestyle development district wide.

- The Rural Lifestyle zone has a subdivision framework that provides for 2-4ha sized lots. This lot size supports rural lifestyle activities (residential, small scale keeping of animals/stock or farming) so that people can continue to live in a rural setting with rural amenity values without needing to purchase a large, productive rural land parcel. Comparatively the Coastal Living zone in the ODP previously provided for lots ranging in size from 5,000m² to 4ha in size. Increasing the minimum lot size in the zone from 5,000m² to 2ha ensures that the lots still have a connection with the rural environment, can continue to provide rural amenity and avoid potential reverse sensitivity effects on the boundary with Rural Production zoned land. Larger lot sizes in this area also reduces the pressure to further fragment the zone and provide reticulated infrastructure.
- Enabling a minor residential unit, rural produce manufacturing and enabling rural produce retail. In the ODP there was no minor residential unit rule in the Coastal Living zone.

1.4 Rural Residential Zone

A Rural Residential special zone has been created to provide for Rural Residential development around existing urban areas and some settlements where they are contiguous with the urban/settlement environment. This recognises that Rural Residential land may be up zoned over time to an urban zone as required to cater for growth in these areas. This zone also provides for a transition between urban zones and the Rural Production, Rural Lifestyle and Horticulture zones. It has replaced land that was zoned Rural Living in the OPD. Additionally, extra land has been zoned Rural Residential around Kerikeri / Waipapa and Kaitaia to provide for additional development and growth opportunities. It is anticipated that this zone is to be primarily used for residential activities while still providing for farming activities on larger lots.

This new zone differs from the OPD in the following manner:

- Providing for lots down to 2,000m², the OPD Rural Living zone was a minimum of 3,000m².
- Providing for a minor residential unit, the OPD Rural Living zone did not support this.
- Having a non-complying status for industrial, intensive indoor primary production, rural industry and commercial activities (unless home business for example), while the OPD Rural Living zone did provide for industrial and commercial activities of a smaller scale.

1.5 Policy framework summary

The Rural zone policy framework provides for a range of activities but directs them to the appropriate rural zone, so that each rural zone is able to fulfil its specific function. By restricting the ability of typically urban activities to establish in the rural environment, the Rural zones also support the function of the urban zones, which are the primary zones that provide for housing, commercial and industrial activities in the Far North District.

It is anticipated that this combination of Rural zones will protect both highly productive land and the wider rural environment, while still providing for non-primary production activities in appropriate locations. This combination of prioritising primary production activities across the majority of the rural environment while still meeting the needs of residents and rural communities will ensure that future land use and subdivision activities are not undermining the significant financial contribution the primary production sector makes to the Far North District. Continuing with the status quo of an enabling rural environment for all activities is not in the economic best interests of the district as primary production activities becoming increasingly under pressure from more sensitive activities, residential development continues to be ad hoc and demands for servicing district wide increase. Directing development to more tailored zoning, preserving the majority of the rural environment for primary production activities and ensuring most urban development occurs either within or adjacent

to urban zones is the more appropriate method to achieve sustainable management of the rural environment.

Overall, this section 32 evaluation concludes that the objectives for the Rural zone chapters in the PDP are an appropriate way to achieve the purpose of the RMA and the proposed provisions are the most appropriate way to achieve the objectives, based on an assessment of effectiveness, efficiency, benefits, and costs.

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 rural environment 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 Rural Production, Horticulture, Rural Lifestyle and Rural Residential zone chapters (**Rural zones**), the other closely related chapters to consider are Settlement, Horticulture Processing Facility, Ecosystems and Indigenous Biodiversity, Historical Heritage, Coastal Environment and Subdivision. The evaluations for these chapters are set out in their own distinct evaluation report specific to each topic. The Settlement zone is considered to be part of the package of Rural zones, and is within the rural environment, however it has been given its own evaluation report as the zone provisions are more closely aligned with the urban environment framework. The Settlement zone s32 report should be considered in conjunction with this report when considering how the overall rural environment is being managed by the PDP.

2.2 Overview of topic

This Section 32 evaluation report relates to the PDP provisions that apply to the 'Rural zones', with a focus on the management of land use activities within these zones and how activities in the zones interact with adjacent zones. The Rural Production and Rural Lifestyle zones in the PDP are aligned with the categories of the district plan zones provided for in the National Planning Standards (**Planning Standards**). The Rural Residential and Horticulture zones are "Special Zones" which are also provided for in the Planning Standards.

2.2.1 Versatile soils and highly productive land

The District has a limited and finite supply of versatile soils (majority being class 3). Versatile soils are declining nationwide, increasing the importance of protecting the soils that have not yet been sterilised, fragmented or rezoned for urban development. The use of rural land for primary production activities makes a significant contribution to the welling of the Far North District and the Northland Region. In the Far North District in 2016, the gross output of primary production on versatile soils alone was estimated at \$293.7m, with \$107.8m of value added to the Far North economy¹. Additionally, the rural environment provides for mineral extraction, with a focus on quarrying to

¹ Rural Environment Economic Analysis Report - updated August 2020

support the District's extensive roading network and the primary production and construction sectors. There is a tension between using versatile soils for primary production or for mineral extraction, as mineral extraction can only occur where the mineral resource is located. Approximately 72%² of horticultural production in the District occurs on versatile soils. The OPD does not provide any protection for versatile soils or any other rural land that is highly productive in the context of the District. Approximately 29%³ of land containing versatile soils is occupied by non-primary production activities, which reflects the enabling nature of the ODP and the real risk that the most productive land in the District will continue to be sterilised by non-productive activities.

2.2.2 Subdivision and land fragmentation

In terms of Subdivision, in the ODP Rural Production zone between 2000 and 2007, 28%⁴ of all titles created were between 1ha and 4ha. With significant increases in subdivision occurring in the Rural Production zone since that timeframe, it is anticipated that this proportion will have increased. Sporadic and uncoordinated land fragmentation places pressure on Council to upgrade transport infrastructure and in some instances provide other infrastructure such as wastewater in areas where this has not been planned for. Sporadic rural lifestyle or rural residential subdivision also compromises future urban use and how efficiently that land can be developed. The impact of land fragmentation also affects the ability to use land for a productive, economically viable primary production activity.

2.2.3 Reverse sensitivity and incompatible activities

In some locations, Rural lifestyle and Rural Residential development may be incompatible with primary production activities due to different expectation about amenity and subsequent reverse sensitivity effects. This is an issue of particular significance the Kerikeri / Waipapa area due to concerns over the use of chemicals and wanting the rural environment to provide for these landowner's residential amenity. Managing reverse sensitivity is important to ensure that primary production activities do not face undue restrictions and that mineral resources remain accessible. This is critical in terms of managing activities within a particular Rural zone, but also when managing the interface between Rural zones and Urban zones.

2.2.4 Key changes proposed in the PDP

The way that rural land is managed and the effects of activities able to establish in the rural environment have a significant impact on both the District and the Northland Region. Decisions made about the management of the Far North's Rural environment may also impact on Auckland and New Zealand as a whole in terms of future food production opportunities. The Far North District is facing increasing demand and competition for rural land. Balancing competing uses is a significant challenge for the District but it is required in order to give effect to higher order planning documents. The provisions for the rural environment proposed in the PDP continue to manage adverse effects of rural activities and prioritise primary production activities and other ancillary activities that directly support the primary sector. The main change is to strengthen the approach taken to the fragmentation of rural land and the management of reverse sensitivity effects on the primary production sector, particularly in relation to highly productive land (which includes versatile soils).

To help understand the issues facing the district, Council commissioned a report on the Rural Environment, particularly in relation to areas that have access to water resources. This report was co-authored by Market Economics and 4Sight Consulting and is identified as the Rural environment Economic Analysis Report – updated August 2020. This report should be read in conjunction with this evaluation report. It is attached as **Appendix 1**.

The key changes of the proposed approach to manage the rural environment through the PDP are:

² Rural Environment Economic Analysis Report - updated August 2020

³ Rural Environment Economic Analysis Report - updated August 2020

⁴ Rural Environment Economic Analysis Report - updated August 2020

- More restrictive subdivision rules in the Rural Production zone, both in terms of increasing the minimum lot sizes and removing legacy rules that gave older titles the right to subdivide smaller lots;
- More restrictive Rural Production land use rules, both in terms of residential intensity and non-primary production activities;
- Greater protection of highly productive land, and primary production industries from land fragmentation and sterilisation;
- Introduction of a Rural Lifestyle zone that applies to those areas that were zoned Coastal Living, Point Veronica and South Kerikeri Inlet in the ODP, with additional land being zoned in the Kerikeri area. This is to provide for increased lifestyle development opportunities in the areas with the greatest demand but also direct that demand to appropriate locations with good access to transport and services;
- Enablement of minor residential unit development across the rural environment;
- Introduction of a special Horticulture zone created to manage land fragmentation and reverse sensitivity effects, achieve greater protection of highly productive land and recognise investment in supporting infrastructure for horticulture in the Kerikeri / Waipapa area. A special zone is needed due to increasing demand for non-primary production land uses in this high growth area;
- Allowing smaller lots in the Rural Residential zone, which was previously the Rural Living zone in the OPD, with additional zoning being provided around Kerikeri / Waipapa and Kaitaia;
- Introduction of a Settlement zone to provide a more urban form of development within established rural communities of a certain scale. This is to support the primary production sector and more rural parts of the district by providing for more housing density compared to the other rural zones and allowing a greater range of non-primary production activities, such as commercial activities, to provide remote rural communities with better access to services;
- Providing for rural lifestyle subdivision in the Rural Production zone only where there is a significant indigenous biodiversity benefit.

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 section 6 matters of national importance relating to the protection of versatile soils or the overall management of highly productive land values. However, there are other section 6 matters that are relevant in a rural context, which include preservation of natural character and the protection of outstanding natural features and landscapes, areas of significant indigenous vegetation/habitats, public access, relation of Maori and their culture, historical heritage and natural hazards which are mainly located in the rural environment.

While there are no specific section 6 matters, the RMA itself does require the potential of natural and physical resources to be sustained to meet the reasonably foreseeable needs of future generations. Highly productive land is a physical resource, which will be vital to the needs of future generations, especially if food production over time becomes difficult with the impacts of climate change, population growth, and also the loss of versatile soils in locations such as Auckland due to the pressure to expand in these areas to provide for housing.

The following section 7 matters are directly relevant to the rural environment:

- (b) The efficient use and development of natural and physical resources
- (c) The maintenance and enhancement of amenity values
- (f) Maintenance and enhancement of the quality of the environment
- (g) Any finite characteristics of natural and physical resources

Section 8 is relevant insofar as many of the cultural values held by tangata whenua are located in the rural environment, such as historic heritage and biodiversity. It is also relevant due to the interface between the rural zones covered in this report and the Māori Purpose – Rural zone. Section 31 of the RMA further requires Councils to control any actual or potential effects of the use, development, or protection of land.

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 Rural zones.

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. Under this standard the:

Rural Production zone is defined as:

“Areas used predominantly for primary production activities that rely on the productive nature of the land and intensive indoor primary production. The zone may also be used Zone Framework Standard 37 Zone name Description for a range of activities that support primary production activities, including associated rural industry, and other activities that require a rural location.”

Rural Lifestyle is defined as:

“Areas used predominantly for a residential lifestyle within a rural environment on lots smaller than those of the General rural and Rural production zones, while still enabling primary production to occur.”

The Planning Standards also provide for special purpose zones subject to them only being 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 layer.

It is considered that both the Rural Residential and Horticulture zones meet the above criteria. The anticipated outcomes are a significant issue for the district, and in the case of the Horticulture zone also the region. It would be impractical to impose the level of control on various non-productive land uses in the Rural Production zone that is being proposed for the Horticulture zone. The Horticulture zone is trying to manage a specific issue in the Kerikeri / Waipapa area, with its increasing pressure for urban growth and lifestyle development on some of the most productive land in the district where a significant amount of investment has been put into infrastructure to support horticultural activities.

A special purpose Rural Residential zone is required to provide for additional housing next to urban zones and larger settlements without undermining the intent and purpose of the Rural Lifestyle zone but also recognising the constraints of the limited reticulated wastewater networks in these areas. It was considered that none of the urban or rural zone options reflected the land use activities and anticipated outcomes sought by the Rural Residential zone, as these are particular to our district. Urban options (e.g. Large Lot Residential zone) were not practical due limited infrastructure, lack of understanding of capacity, no plans to expand reticulation due to financial limitations, such as a small rating base, and no development contributions currently being levied. Having a specific Rural Residential zone gives certainty to plan users as to the level of development (particularly residential) anticipated in these areas. A spatial layer attempting to allow a different level of residential development and mix of land uses would create difficulties for users of the plan, create complexity in integrating with an underlying zone framework (likely Rural Lifestyle zone) and is not considered to be an efficient or effective outcome for the PDP.

3.2.2 National Policy Statements

Section 75(3)(a) of the RMA requires that district plans give effect to any NPS. The following NPS's are relevant to the Rural environment:

- New Zealand Coastal Policy Statement 2010 (**NZCPS**).
- National Policy Statement Urban Development 2020 (**NPS-UD**).
- National Policy Statement for Freshwater Management 2020 (**Freshwater NPS**).

There is no directly related NPS for the rural environment, instead the above NPS have a relationship with the rural environment, either due to these values being in the rural areas, or rural land being needed for urban expansion, or in the case of freshwater management rural land uses affecting water quality.

The NZCPS is mandatory under the RMA. The purpose of the NZCPS is to state objectives and policies to achieve the purpose of the RMA in relation to the coastal environment. The NZCPS applies to the coastal environment and is relevant for the policy framework that applies to rural environment in the district, as much of the coastal environment is in the rural environment. The table below outlines the provisions in the NZCPS directly relevant to the Rural zones.

NZCPS	
Policy 6	Activities in the coastal environment
Policy 7	Strategic planning
Policy 11	Indigenous biological diversity
Policy 13	Preservation of natural character

Policy 15	Natural features and natural landscapes
Policy 17	Historic heritage identification and protection
Policy 19	Walking access
Policy 25	Subdivision, use, and development in areas of coastal hazard risk

Overall, the NZCPS policies anticipate some subdivision, use and development in the coastal environment, but only in specified circumstances. The NZCPS also provides clear direction to consolidate existing coastal settlements to avoid sprawling or sporadic growth, preserve the natural character of the coastal environment, and to avoid development that would increase the risk of adverse effects from coastal hazards. These policies are particularly important in determining the appropriate development on rural land within a coastal environment. The NZCPS is primarily applicable when considering the coastal environment, and therefore covered in the Section 32 Coastal environment report.

The NPS-UD directs local authorities to provide sufficient development capacity in their resource management plans, supported by infrastructure, to meet demand for housing and business space, and therefore has implications for the rural residential type development on the fringes of townships. Additionally, rural land would typically be expected to bear the pressure of any urban development that arises through this NPS. The NPS-UD does not currently apply to Council as it is not a tier 3 Council, but regard should still be given were appropriate to achieve the right outcomes.

The Freshwater NPS, while applying mainly to Regional Councils, does require district plans to play a role. Te Mana o te Wai must inform the interpretation of the provisions required by this NPS to be included in district plans. The objective of this NPS to align with Te Mana o te Wai is to prioritise first, the health and well-being of water bodies and freshwater ecosystems above the needs of people and their ability to provide for their social, economic and cultural well-being. There is no direct policy relative to the Rural zones, but over time as regional plans are updated to give effect to this legislation, land uses in the rural environment are likely to be impacted.

The following NPS are currently under development, and do not have any legal status, but it is considered there is value in considering the direction that may be set down in the future.

- Draft National Policy Statement for Highly Productive Land (**NPS-HPL**)
- Draft National Policy Statement on Indigenous Biodiversity (**NPS-IB**)

The draft NPS-IB is primarily applicable to provisions relating to areas of significant indigenous vegetation and significant habitat of indigenous fauna, and these matters will be covered in the section 32 Indigenous Biodiversity report. It should be noted that the rural environment hosts the majority of the biodiversity of the district and activities in the Rural zones can have a negative effect on those values.

The draft NPS-HPL would be the most relevant national direction for Rural zones if it was gazetted as a NPS. This draft NPS seeks to manage the issues raised in the overview of this report. The table below outlines the purpose of this NPS:

Draft NPS-HPL	
Objective 1	Recognising the benefits of highly productive land
Objective 2	Maintaining the availability of highly productive land
Objective 3	Protection from inappropriate subdivision, use and development

In summary, these proposed objectives would require district plans to:

- Identify highly productive land as identified by the Northland Regional Council. It was indicated in the draft that in the interim period before this work is undertaken by Regional Council that land class soil type 1,2, and 3 would be automatically classified highly productive land
- Maintain the availability and productive capacity of highly productive land for primary production
- Avoid urban expansion on highly productive land unless it is demonstrated that there is a shortage of development capacity or it is the most appropriate option
- Manage rural subdivision to avoid fragmentation and maintain the productive capacity of highly productive land.

The protection of highly productive land has been a significant topic for the district plan review. It is anticipated that the approach in the PDP would generally align with this NPS if it was gazetted and came into effect during the development of the PDP based on the drafts of the NPS reviewed to date.

3.2.3 National Environmental Standards

Section 44 of the RMA requires local authorities to recognise National Environmental Standard (NES) by ensuring plan rules do not conflict or duplicate with provisions in a NES. The following NES are directly relevant to the Rural environment:

National Environmental Standard for Plantation Forestry (NES-PF)

The NES-PF is a NES which took effect on 1 May 2018. This Standard manages many aspects of forestry activity traditionally dealt with at a regional and district council level. The NES-PF only applies to forestry over one hectare in size and for the purposes of being commercially harvested.

The NES-PF regulations apply to the following forestry activities:

- Afforestation;
- Pruning and thinning to waste;
- Earthworks;
- River crossings;
- Forestry quarrying (means the extraction of materials for the construction of roads or other forestry infrastructure);
- Harvesting;
- Mechanical land preparation;
- Replanting;
- Ancillary activities relating to slash traps, indigenous and non-indigenous vegetation clearance, discharges, disturbances, diversions, noise, dust, indigenous bird nesting and fuel storage and refuelling.

Regulation 6 of the NES-PF allows for the rules of a district plan to be more stringent if they are giving effect to: national instruments; matters of national importance (but limited to only outstanding natural features and landscapes, and significant natural areas); and unique and sensitive environments (separation point granite soils, geothermal area or karst geology, activities 1km up-stream of drinking water supplies). Section 43(5)(b) of the RMA also allows plan rules to address effects not dealt with by a NES that permits an activity e.g. if the effects are considered to be out of scope of a NES.

The Rural zones in the PDP give effect to the NES-PF by providing for plantation forestry and plantation forestry activities as a permitted activity. However, it is considered that the scope of the NES-PF does not consider the impact of plantation forestry or plantation forestry activities on highly productive land and that this is an effect outside the scope of the NES-PF. As versatile soils (assumed to be LUC class 1, 2 or 3 soils and a subset of the wider definition of highly productive land) are a relatively rare

and finite resource in the Far North district, plantation forestry and plantation forestry activities are only permitted in Rural zones if they are not located on versatile soils.

Note that permanent exotic forestry/carbon farming is not covered by the definition of plantation forestry or plantation forestry activities under the NES-PF and is instead captured by the term ‘forestry activities’ as part of the wider primary production definition.

National Environmental Standard for Air Quality (Air Quality NES)

The National Environmental Standard for Air Quality sets a guaranteed minimum level of health protection for all New Zealanders and provides a framework for ambient air quality and particulate matter in the air. This is relevant for mineral extraction activities due to the usual resultant discharge of dust to air either from extraction or processing. Currently this is the responsibility of the Regional Council where there may be a health effect, with territorial authorities being responsible for any nuisance dust discharges.

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 NRPS are directly relevant to the Rural environment.

RPS	
Issue 2.2	Indigenous ecosystems and biodiversity
Issue 2.3	Economic potential and social wellbeing
Issue 2.4	Regional form
Issue 2.7	Natural hazards
Issue 2.8	Natural character, features / landscapes and historic heritage
Objective 3.4	Indigenous ecosystems and biodiversity
Objective 3.5	Enabling economic wellbeing
Objective 3.6	Economic activities – reverse sensitivity and sterilisation
Objective 3.7	Regionally significant infrastructure
Objective 3.11	Regional form
Objective 3.13	Natural hazard risk
Objective 3.14	Natural character, outstanding natural features, outstanding natural landscapes and historic heritage.
Policy 4.4.1	Maintaining and protecting significant ecological areas and habitats
Policy 4.5.3	Assessing, identifying and recording historic heritage
Policy 4.6.1	Managing effects on the characteristics and qualities natural character, natural features and landscapes
Policy 5.1.1	Planned and coordinated development
Policy 5.1.2	Development in the coastal environment
Policy 5.1.3	Avoiding the adverse effects of new use(s) and development

In summary, the NRPS objectives and policies and the implementation methods require the PDP to:

- Consider the Regional urban design guidelines as they can apply to rural settings
- Ensure that development is undertaken in a planned and coordinated way that does not

create any loss of production now or in the future, does not result in incompatible land uses in close proximity and avoids the potential for reverse sensitivity effects

- Subdivision and plan changes on land with versatile soils in a primary production zones shall clearly demonstrate that the benefits to the public (social, economic and cultural) arising from subdivision and subsequent development are greater than the benefits that would have occurred from productive use of the land
- Avoid the adverse effects (including reverse sensitivity) of subdivision and land use (particularly residential development) on primary production activities in primary production zones
- That productive land and associated activities, that are important for Northland’s economy are protected from the negative impacts of subdivision and land use, with particular emphasis on managing reverse sensitivity effects on existing primary production activities
- Maintains or enhances the sense of place and character of the surrounding environment
- Require the protection and management of section 6 matters as they relate to the rural environment

The NRPS states that primary production activities (such as dairy farming, horticulture, apiculture, forestry, aquaculture and intensive indoor primary production) are the biggest contributor to Northland’s economy. The direction contained within the NRPS, in relation to the rural environment, has been taken into account in the evaluation below.

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**. The table(s) below provides an overview of regional plan provisions directly relevant to the rural environment.

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 the Rural zones. These plans are to be replaced by the Proposed Regional Plan, which still has some matters under appeal.

Proposed Regional Plan	
C.6.5	Agrichemicals and vertebrate toxic agents
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
Policy D.2.2	Social, cultural and economic benefits of activities

The Proposed Regional Plan combines the operative Regional Plans (coastal, air quality, water and soil) into one. The Proposed Regional Plan includes objectives and policies for the management of freshwater resources, including managing the quantity and quality of freshwater resources and also discharges as they relate to agrichemicals, odour and dust. The Proposed Regional Plan also focuses on the economic vitality and wellbeing of Northland’s people and communities. The objectives identified above broadly relate to primary production activities, insofar as the sector relies 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 investment and business opportunities to the region to improve the wellbeing of people and the communities. The Rural

chapters are not considered to overlap or conflict with the objectives and policies in the Proposed Regional Plan.

The application of agrichemicals has been an issue raised through consultation, both in terms of people concerned over the use of sprays, especially in relation to horticulture activities and concerns raised by the horticulture sector that they are being constrained from undertaking activities anticipated in the rural environment and permitted under legislation. It is not proposed that the PDP will regulate, the use, control, or application of agrichemicals as this is managed under the Proposed Regional Plan and any PDP provisions would duplicate/conflict with the Proposed Regional Plan provisions.

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 14 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 provisions for the rural environment are as follows:

- Importance of Marae, Kainga and urupa as community hubs
- Development and growth pressures
- Land fragmentation is reducing rural amenity
- Housing policies restrict papakainga development
- Tangata whenua principles are missing throughout the plan
- Protection of natural heritage, historical and cultural values
- Water is of particular importance to tangata whenua and poor water quality can negatively impact the ability to collect mahinga kai and harvest plant material for rongoa Maori. Water degradation comes in many forms including sediment from farming operations, sediment from forestry activities and poor stormwater controls through subdivision development. Additionally, the environmental management plans are concerned with the potential adverse effects of overallocation on the mauri of these water resources.

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. This section provides an overview of other strategies and plans directly relevant to the Rural environment.

3.5.1 Crown Minerals Act 1991

Allocation of minerals (through the issue of permits) is undertaken under the Crown Minerals Act and it is not a function of council to manage this through district plans. However, district plans can manage the effects of mineral extraction, the location of mineral extraction and access to mineral resources. The planning maps in the PDP indicate 'Mineral Extraction' areas where mining and quarrying is supported and enabled. The Rural Production zone also provides for other mining and quarrying opportunities outside of these areas and has rules to protect these identified areas from reverse sensitivity effects or potential sterilisation.

3.5.2 Kerikeri / Waipapa spatial plan

Council has started a project to replace the existing Kerikeri / Waipapa structure plan with a spatial plan. It is currently under development and has yet to be released for public consultation. This spatial plan is looking at a 30-year time frame, with a focus on urban development to provide for

housing and business land, supported with the required infrastructure. The area identified as being part of the spatial plan is based on the existing Kerikeri / Waipapa structure plan, which incorporates the surrounding Rural zones. It is anticipated that this document (depending on when it is adopted) may influence some rural zoning for this area. Where possible (and where appropriate) in the context of matters that should be managed by the PDP, effect will be given to this spatial plan as it is developed and adopted by Council.

3.5.3 Good Practice Guide for Assessing and Managing Dust 2016 and Good Practice Guide for Assessing and Managing Odour 2016

These two documents provide national guidance for assessing and managing odour and dust discharges under the RMA. In relation to odour and dust discharges, the management of air quality is the responsibility of regional councils, while district councils are responsible for managing land uses which have the potential to discharge odour and dust which may cause amenity effects, such as intensive indoor primary production.

3.5.4 New Zealand Wilding Conifer Management Strategy 2015-2030

This is a strategy created by the Ministry for Primary Industries that supports collaborative action to address the critical issue of wilding conifer management. This strategy supports the use of the wilding conifer “risk calculator” to assess and reduce the risk of new wilding conifers establishing. This calculator assessment is now utilised in the NES-PF. The strategy also recognises the different roles that each sector is to perform, including local landowners. The personal management of wilding conifers by landowners and their collaboration with authorities and neighbours is critical in helping to manage wilding tree spread. It recognises that territorial authorities are well placed to establish appropriate rules in their district plans to ensure that landowners and occupiers are fulfilling their obligations. It is also recognised that regional councils are well placed to enable wilding conifer control in regional plans. This specified division of roles is also seen in the NES-PF. However, the strategy also recognises that landowners and occupiers can have a significant impact on managing wilding spread.

3.5.5 The New Zealand Standard NZS8409:2021 Management of Agrichemicals

This is an approved code of practice under the RMA and the Hazardous Substance and New Organisms Act. The code provides guidance to ensure that agrichemicals are used in a safe, effective and responsible manner, while minimising any adverse effects on the environment, humans and animal health. The code covers the transport, storage, supply, use and emergency management of agrichemicals and containers. Fertiliser management and use is not included in the code and is regulated by a separate code produced by the Fertilizer Association. This code requires spray plans to be used as a method to identify the potential risk posed by those applying agrichemicals and communicate with neighbours with sensitive areas as to how the risk will be managed. As stated earlier in the report it is considered that the PRP has sufficient regard to this legislation, and it would be an overlap to manage it through the PDP.

4 Current State and Resource Management Issues

This section provides an overview of the relevant context for the rural environment, current approach to managing the rural environment through the ODP, and key issues raised through consultation. It concludes with a summary of the key resource management issues for the rural environment that are to be addressed through the PDP.

4.1 Context

The Far North District is mainly a rural environment that has a varied character due to different landscapes and development patterns across the district, e.g. the Hokianga compared to the character of Waimate North. Primary production activities are vital to the economic welling being of the district in terms of GDP and employment – data from 2019 showed that primary production activities made

up 21% of total businesses in the district and accounted for 13% of employment⁵. These figures could now be higher, due to the important role the primary production sector has had since the global Covid-19 pandemic, as the primary production sector was able to continue to operate while other sectors were heavily impacted, such as tourism. Farming activities in the district mainly include dairy, beef, forestry and apiculture. Horticulture on a large scale is currently concentrated around the Kerikeri / Waipapa area, with the avocado industry heavily invested in the Far North. The government has recently invested \$68m⁶ (\$8.5m is a grant, with the rest being a loan) from the Provincial Growth Fund to develop irrigation water schemes in the mid north, to support new horticulture opportunities on highly productive land. The Matawii reservoir near Kaikohe (located within the Ngawha Innovation and Enterprise Park) has been built, and consent applications to construct the Otawere reservoir in Waimate North have been made under the Covid-19 Recover (Fast track Consenting) Act 2020. It is also hoped to build two further water sources around the Kaikohe area and a reservoir near Ohaewai. Horticulture is supported in the Kerikeri / Waipapa area by the Kerikeri Irrigation scheme, private water dams and water takes for surrounding river networks. The Far North avocado industry benefits from underground aquifers, and some growers have constructed large scale dams.

Since the OPD was notified, there has been a noticeable change in some parts of the district due to population growth in the eastern coastal areas and in urban centres such as Kerikeri / Waipapa. There has also been high demand for rural residential and rural lifestyle development in these areas. The Rural Environment Economic Analysis Report highlights a growing demand for further rural subdivision, which seeks to create rural residential and rural lifestyle properties, in areas potentially better suited for use by primary production activities, particularly horticulture. The report concludes that better management of where and how rural residential and rural lifestyle development occurs in the future is needed to avoid a situation where growth of housing in the rural environment is at the expense of the productive capacity of the rural land resource.

Recently due to rising housing and land prices, people have been willing to undertake rural residential and lifestyle development further way from places like Kerikeri / Waipapa in locations that are still considered 'drivable', such as areas between Kerikeri and the settlement of Okaihau. Additionally, commercial and industrial businesses in main urban centres have also established outside of commercial and industrial zoning, as demonstrated by the development on Waimate North Road, Wiroa Road and Waipapa Road. This has also occurred around Kaitaia on the State Highway towards Awanui. This non-productive development in rural areas results in land fragmentation, loss of highly productive land and reverse sensitivity issues. Extensive development of non-productive land uses, or activities that have no need to establish in a rural environment, has occurred due to the permissive framework in the OPD which enables a broad range of activities in the rural environment.

The policy and rule framework of the ODP that manages the rural environment does not recognise the value of protecting highly productive land or versatile soils for primary production activities, does not allow for consideration of whether an activity needs to be established in the Rural Production zone or whether an activity would be more appropriate in a settlement or urban centre. This permissive policy framework does not enable consents to be declined when they are discretionary or non-complying, is an inefficient use of the rural land resource, undermines the consolidation of urban areas and results in un-coordinated and costly infrastructure.

The Rural Environment Economic Analysis Report has identified the importance of the primary production sector to the District and illustrates how highly productive land (with access to water) provides for the highest economic return as a range of primary production activities can be supported. The primary production activity with the highest economic return is horticulture. Horticulture also generates the highest levels of employment compared to other farming activities such as beef farming where few or no staff may be required.

⁵ Rural Environment Economic Analysis Report - updated August 2020

⁶ [About The Project - Te Tai Tokerau Water Project](#)

4.1.1 Minimum lot sizes

The key principles that drove the minimum lot size discussions across all four zones were as follows:

- The need to prevent further fragmentation of land in the Rural Production zone, unless it is to support a primary production activity. This is the only zone in the district where pastoral farming can be undertaken and typically farming activities (other than horticulture) need larger land parcels to be economically viable
- The need to direct the demand for rural lifestyle and rural residential development away from the most productive land in the district, towards locations that are close to urban centres/settlements and have good access to transport routes
- Smaller lot sizes in the Horticulture zone to recognise that smaller land parcels with good access to water can be more productive if they are in horticultural use
- Only consider allowing rural lifestyle sized lots in the Rural Production zone where there is an identified biodiversity benefit

The Rural Environment Economic Analysis Report (attached as **Appendix 1**) recommended the following lot sizes to be used as a guide to manage the productive potential of rural land, whilst still providing for rural residential and rural lifestyle development opportunities in the Far North.

Zone	Recommended Lot Sizes	Recommended Activity Status
Rural Production Zone	>=40ha <40ha	Controlled Activity Discretionary
Rural Production Zone (where the majority (more than half) of the lot area sits within one of the district's aquifer areas and/or the Kerikeri Irrigation North and South Regions)	>=8ha <8ha	Restricted Discretionary Activity Non-Complying Activity
Rural Lifestyle Zone (new zone proposed) ²¹	>=2ha <2ha	Restricted Discretionary Non-Complying Activity
Rural Residential Zone (utilise existing Rural Living Zone)	<2000m ²	Non-Complying Activity

The Rural report had a specific focus on considering options to provide for rural residential and rural lifestyle development across the Far North District and recommending where this type of development should be enabled. Considering appropriate lot sizes for the balance of the Rural Production zone was not the primary focus of the report but it did cover this issue as part of the wider discussion on how to best manage the rural land resource. The key recommendation was that larger minimum lot sizes should be imposed across the majority of the rural environment, except in areas with good access to water where smaller lot sizes could be considered. This principle resulted in the following PDP minimum lot sizes for the Rural zones that differ slightly from the recommendations in the table above:

- **Rural Production zone:** 40ha was adopted as the minimum controlled lot size in the Rural Production zone as per the Rural report. However, it was considered important to put a lower cap on the minimum lot size that could be applied for as a discretionary activity. 8ha was adopted as the discretionary minimum lot size to recognise that sites with good access to water can still be productive at this scale. The full discretionary activity status will allow Council to consider things like access to water when considering if the subdivision should be granted. It also means that subdivision of lots down to 8ha in the Rural Production zone will still be possible through the resource consent process should more irrigation and water storage schemes be developed over the life of the PDP

- **Horticulture zone:** 10ha was adopted as the minimum controlled lot size in the Horticulture zone, which is slightly larger than the recommended minimum-controlled lot size in the Rural Production zone for lots with good access to water, this was due to providing for some additional land to cater for access, infrastructure, housing and other associated buildings in addition to having land for primary production. It was also considered that current lot sizes in this zone are heavily based on supporting the kiwifruit industry, which due to its high returns can support smaller lots sizes. By having a 10ha lot it provides for more opportunities to grow other crops such as avocados, which require more land area. Subdivision pressures can occur if fruit prices drop, or crops are affected by disease, therefore lots need to be of a size able to adapt to changing markets. A 4ha lot is considered to be the absolute minimum lot size that can still be a productive parcel (in some circumstances), which is why a discretionary activity is appropriate to determine whether creating a smaller 4ha lot in productive use is feasible.
- **Rural Lifestyle zone:** This zone has been introduced to accommodate demand for rural lifestyle development and is intended to somewhat offset the reduction in subdivision opportunities in the Rural Production zone. The Rural Lifestyle zone generally follows the Rural report recommendations for lot sizes, setting a controlled activity status at 4ha and a discretionary activity status at 2ha. This is slightly different to the recommended restricted discretionary activity status for all lots over 2ha in size, but having a controlled activity status for the larger scale lots gives landowners certainty that they will have the right to subdivide at a certain scale, but ensures Council retains full control to decline applications if necessary, as lots get smaller and the potential for unsuitably designed lots increases. Lots between 2-4ha in size strike a balance between getting efficient use of land zoned Rural Lifestyle to cater for anticipated demand, but also ensuring lots are big enough to provide on-site services and maintain a level of spaciousness and rural amenity.
- **Rural Residential zone:** This zone caters for un-serviced land on the edges of urban centres and larger settlements where a peri-urban amenity is anticipated, but servicing constraints necessitate larger lots than in urban areas. The Rural report identified that lots between 2,000m² and 2ha in size were rural residential scale development. However, it should be noted that simply having a property less than 2ha in size does not qualify for Rural Residential zoning, as other planning factors were considered when applying this zone to land areas, such as its location in proximity to urban centres or larger settlements. The Rural Residential zone takes the same approach to managing lot sizes as the Rural Lifestyle zone – controlled activity status for 4,000m² and above lots to give certainty to landowners, but retaining full discretion for lots between 2,000m² and 4,000m² in size to ensure the sites can be appropriately serviced.

As noted in the Rural report, the recommended minimum lots sizes in the table above should not be considered in isolation and should integrate with other chapters of the PDP. For example, a pathway has been provided to allow for rural lifestyle sized lots in the Rural Production zone in situations where a significant natural area can be protected in perpetuity. Although rural lifestyle development is not the most efficient use of the rural land resource from a purely primary production perspective, there are also significant biodiversity benefits that can be achieved by incentivising the protection and enhancement of biodiversity in the Rural Production zone. Environmental benefit lots are also a means to achieve scheduling of significant natural areas in the PDP (which is covered in more detail in the Indigenous Biodiversity and Subdivision s32 reports).

4.2 Operative District Plan Approach

4.2.1 Summary of current management approach

- The OPD generally uses two key zones (Rural Production and Rural Living) to manage the Rural Environment. Other zones that also exist in the rural environment include the Waimate North special area and two coastal zones (General Coastal and Coastal Living);
- The Rural Production zone enables or allows for a range of activities that do not relate to primary production activities;
- In the Rural Production zone, lots can be subdivided down to 20ha as a controlled activity, 12ha as restricted discretionary and 4ha as a discretionary activity;
- There are restricted discretionary / discretionary rules that allow the creation of smaller sites where the title existed prior to 28 April 2000 (the grandfather clause). Subdivision under this grandfather clause allows sites of 4000m² to 2ha but can also result in lots as small as 2,000m².
- There is a management plan subdivision rule that provides a once-off opportunity for integrated subdivision or development which results in lots smaller than 8ha where superior outcomes to more traditional forms of subdivision, use or development will be achieved;
- The Rural Production zone provides for residential intensity of 1 dwelling per 2ha and also provides for a minor residential unit as a controlled activity on lots as small as 5,000m².
- The Rural Living zone is an area of transition between urban and rural areas, indicated by smaller lot sizes (4,000m² to 3,000m²) and increased residential intensity. The provision are designed to reduce the likelihood of conflict between various activities and to maintain the state of the physical environment. Specific rules address the amenity of the town entrance into Kerikeri;
- The Waimate North zone is more enabling than the Rural Production zone in terms of subdivision;
- Coastal zones were created in the rural environment to manage the coastal environment, as a response to the Regional Council not identifying or mapping the coastal environment at that time;
- The Coastal Living zone is a mixture of lifestyle and rural residential development located around larger settlements or urban centres, which allows subdivision from 4ha down to 5,000m²;
- The General Coastal zone is reflective of larger blocks of land, where greater controls were placed on subdivision and land uses compared to the Rural Production zone to preserve and protect the coastal environment;
- The OPD is an effects-based plan, with an enabling policy framework, which does not protect highly productive land, nor appropriately manage land fragmentation, sterilisation or reverse sensitivity.

The most relevant plan change that has occurred prior to the development of the PDP is Plan Change 15 – Rural Environment, which became operative in 2016. It was undertaken as part of a rolling review of the OPD, and it was intended to be Stage 1, with the next stage reviewing the subdivision framework of the Rural Environment. As Council has now decided to undertake a consolidated review of the district plan, only the land use provisions were reviewed as part of Plan Change 15 and no changes have been made to the subdivision to respond to issues identified by Plan Change 15.

The main focus of Plan Change 15 was to better manage industrial and commercial activities occurring in the Rural Production zone by introducing a scale of activities rule. This has not resulted in fewer commercial and industrial activities establishing in the Rural Production zone, as the policy framework still provides a pathway for activities to establish through the resource consent process. Due to the ODP being an effects-based plan, commercial and industrial activities which have limited customers or staff can still establish as a permitted activity. Once a building consent is obtained and the business is up and running, a business can change and increase their scale or even the type of activity and not be identified through any planning check being required by Council. Typically, compliance with the

permitted standards for commercial or industrial activities in the rural environment is not checked unless a complaint is made. Plan Change 15 also did not introduce the need to consider the effects on highly productive land, or the loss of the productive potential of land.

The three main components of Plan Change 15 were:

- Objectives, policies and rules aimed at enhancing the integrity and productive potential of the Rural Zones, including exempting farming activities from particular rules including the new Scale of Activities Rule for the Rural Production zone;
- Provisions aimed at addressing potential adverse cumulative effects of activities including appropriate criteria for the new Scale of Activities Rule;
- Provisions aimed at enabling the wellbeing of rural communities, including controlled activity status for Minor Residential Units, a permitted activity Temporary Events rule and amendments to the Setback from Boundaries Rule for smaller rural lots.

4.2.2 Limitations with current approach

The Council has reviewed the current ODP approach, which has been informed technical advice, internal workshops, 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 rural subdivision framework has created a legacy of rural residential and rural lifestyle lots spread across the district, with no regard to suitability of location or proximity to urban centres or settlements;
- Permissive plan provisions have led to unplanned and uncoordinated development and land fragmentation;
- Inappropriate development has spread onto highly productive land, sterilising this land for primary production;
- Non rural industry (e.g. industrial and commercial activities) have established in the rural environment;
- No protection for highly productive land or support for regionally significant infrastructure that supports primary production activities, such as the Kerikeri Irrigation network;
- No clear direction on where rural lifestyle or rural residential development should occur, due to the Rural Production zone allowing it in any location;
- Having an effects based plan that enables or allows for a range of activities in the rural environment, which also benefit from the permitted thresholds applied to primary production activities, such as permissive noise standards and no hours of operation.

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 the Rural zones and a summary of advice received from iwi authorities on the rural environment.

4.3.1 Summary of issue raised through consultation

There was a high level of interest in rural environment from the community through consultation and engagement of the PDP. Key issues identified through this process include:

- Requests for the retention of the Coastal Living and General Coastal zones. Comments indicated a preference to retain the status quo. This particularly related to the Russell area;
- There were many comments received requesting zone changes, including comments that zoning should reflect existing land use and should consider existing lot sizes, fragmentation, and where land was not considered suitable for a productive land use;

- Feedback was received on the need for development in the Horticulture zone as well the need to protect the horticulture industry;
- Mixture of support and opposition for the Horticultural zone around Kerikeri / Waipapa. Those in opposition suggested more Horticulture activities would be encouraged in the area, which would create conflict with existing residential activities. Requests were also received to have the Horticulture zone applied to other parts of the district;
- Mixed support for the more restrictive subdivision lot sizes in the Rural Production zone;
- Clarification sought on the use of different terms such as highly productive land, versatile soils;
- Sector groups involved in primary production generally supported the overall outcomes sought in relation to the Rural zones;
- Feedback was received around allowing smaller lot sizes in the Rural Residential zone based on technology advancement;
- Requests to consider bonus lots for subdivision on land that has significant biodiversity;
- Requests to improve the clarity and workability of some rules and the need for further definitions. There were comments around the need to review the home business rule and there was support for the retention of the minor residential unit rule in the Rural Production zone.
- Concerns raised over the management of reverse sensitivity effects, with suggestions of managing it through setback rules. Mixture of feedback wanting to protect existing residential activities and wanting to protect primary production activities from non-primary production activities;
- That the Rural chapters needs to further consider regional plan alignment and integration;
- Mixed support and opposition for controlling non primary production activities in the Rural Production zone. Some parties wanted a full range of activities to be enabled in the zone, while others want to manage reverse sensitivity effects and retain the productive potential of the zone;
- Feedback on the integration with rural zones and associated overlays, such as historic heritage and biodiversity, with particular attention given to the Rural Production zone as the main zone chapter that interfaces with overlays due to the extent of the zone;
- That further consideration needs to be giving to the management of Plantation Forestry in the Rural Production zone and that it should be a permitted activity;
- Concerns raised over the use of chemicals in the rural environment, with particular concern raised in relation to the Horticulture zone;
- Support for the introduction of the additional zoning in the rural environment;
- Further regard should be given to activities ancillary to farming such as packhouses and cool stores.

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. In relation to the rural environment, 17 pieces of feedback were received. In summary the feedback covered:

- Concern around land fragmentation;
- Support in principle for the outcomes sought in the Rural Production, Rural Lifestyle, Rural Residential and Horticulture zones;
- Protection of versatile soils in the Rural Residential zone;
- Horticulture zone should apply district wide;
- Setback from waterbodies;
- Consideration of interface between treaty settlement land and underlying rural zoning as the underlying zone may conflict;

- Further consideration of the setback from road boundaries rule;
- Rural settlements may warrant a permissive framework, as issues are generally at the rural / urban interface.

Section 3.4 above provided a summary of the key concerns and issues raised in hapū and iwi environmental management plans.

Section 5 of this report outlines how the proposed management approach responds to this advice in accordance with section 32(4A)(b) of the RMA.

4.4 Summary of resource management issues

Rural sustainability was identified as a SMRI in the development of the PDP as

- The rural environment makes up the largest proportion of land of the Far North District;
- Primary production activities are of particular importance due to their significant economic contribution to the District; and
- Primary production activities need to be enabled in the rural environment as they cannot be located in other zones.

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

- Protection of highly productive land, including versatile soils;
- Avoiding inappropriate land fragmentation and sterilisation of the productive potential of land;
- Introducing appropriate controls for non-farming activities in the rural environment;
- Directing rural residential development, rural lifestyle development and commercial and industrial activities to zones that provide for those activities;
- Only allowing non-farming activities such as commercial or industrial activities where there is a functional need to be located in the Rural Production zone;
- Only providing a pathway for rural lifestyle development in the Rural Production zone where there is significant biodiversity protection and enhancement in perpetuity, with controls on number of lots and a requirement to retain the balance lot as a productive unit.

5 Proposed District Plan Provisions

The proposed provisions are set out in the Rural zone chapters of the PDP. 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 the Rural zones are:

- **SD -SP- O4:** Promotion of communities and places that will meet the needs for not only our present population but future generations which are adaptive to climate change
- **SD-RE-O1:** Primary production activities are able to operate efficiently and effectively and the contribution they make to the economic and social well-being and prosperity of the district is recognised
- **SD-RE-O2:** 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 the Rural zone chapters focusing on the key changes from the ODP. The **Section 32 Overview Report** outlines and evaluates general differences between the PDP provisions and ODP, 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 for the rural environment are:

- Each zone will now list activities and state the activity status of those activities upfront. Each activity will also be subject to a set of performance standards. This is compared to the ODP which was effects based and set thresholds to determine activity status, which then allowed any activity to establish depending on the scale of effects;
- Changes to chapter structure, definitions and approach to align with the National Planning Standards;
- Rural zones that give effect to the NRPS and other relevant higher order documents, including general alignment with how the future NPS-HPL is anticipated to be drafted;
- The use of five zones to manage the rural environment (Rural Production, Horticulture, Rural Lifestyle, Rural Residential, also Settlement (as discussed earlier in the report the Settlement zone is assessed under a separate section 32 evaluation report)). By having these five distinct zones, it will direct where rural residential, rural lifestyle and more urban development is appropriate to occur;
- Better protection of highly productive land, including versatile soils;
- Better protection of primary production activities from reverse sensitivity effects, including more specific support at the policy level for primary production activities being the main activities that should be occurring in the Rural Production zone;
- A policy framework that gives Council the ability to decline applications for inappropriate development in the Rural zones;
- Requiring larger lots in the Rural Production zone, while providing for more housing and other development opportunities in more appropriate rural zones such as Settlement;
- Providing for a minor residential unit in all the Rural zones, with some zones having it as a permitted activity (e.g. Rural Lifestyle Zone).

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

This table shows the ODP zones vs PDP zones:

ODP – Rural & Coastal zones	PDP – Rural zones
Rural Production	Rural Production
General Coastal	Now Rural Production with coastal areas being managed by the Coastal Environment Overlay
Coastal Living, Point Veronica, South Kerikeri Inlet (last two special areas)	Now Rural Lifestyle with coastal areas being managed by Coastal Environment Overlay
Rural Living	Rural Residential (special purpose zone)
Waimate North (special area)	Now Rural Production with heritage values now managed by a Heritage Area Overlay
Coastal Residential	Settlement

Rural Production	Horticulture zone
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Note 1: Horticultural processing special zone also makes up part of the rural environment and is addressed in a separate section 32 report, settlement zone is also addressed in a separate section 32 report.

Note 2: Rural Lifestyle, Rural Residential and Settlement zones have included some areas that were zoned Rural Production.

5.2.1 Rural Production zone

The main changes in the overall proposed management approach are:

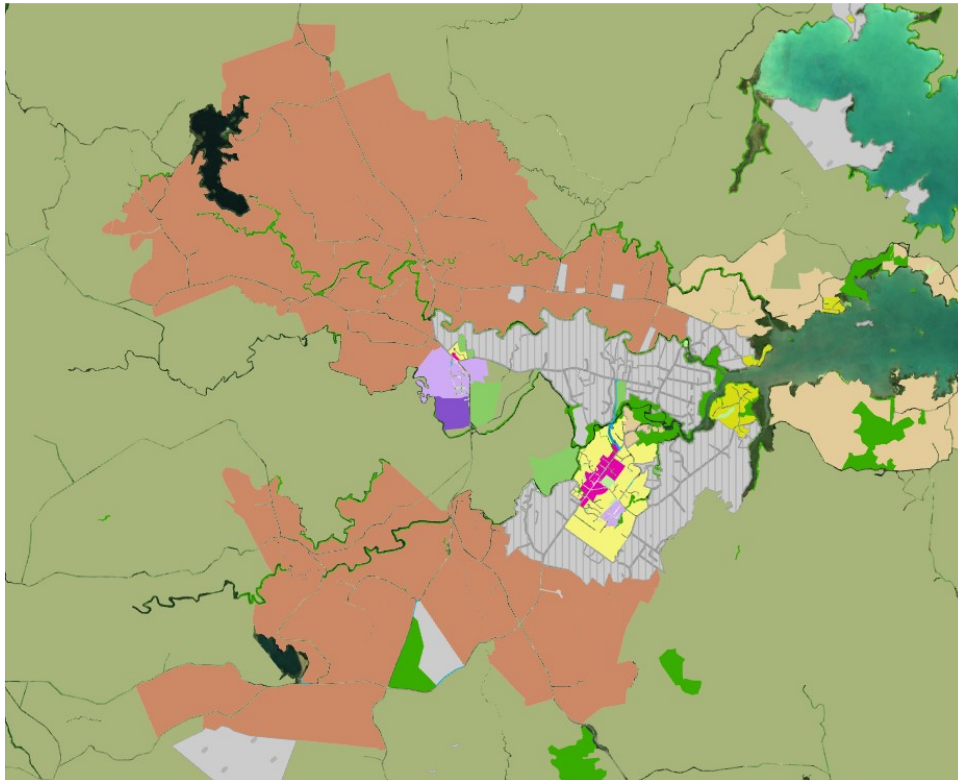
- Protection of highly productive land and a general change in the overall policy framework to protect the zone for use by primary production activities.
- Preventing inappropriate land fragmentation by:
 - Removing the restricted discretionary and discretionary pathways for subdivision of small lots on titles April 2000
 - Requiring larger lots e.g. minimum discretionary lot size has increased to 8ha in the PDP from 4ha or 2000m² in ODP
 - Requiring larger lots as a controlled activity has increased to 40ha in the PDP vs 20ha in the ODP
 - Not having a restricted discretionary subdivision or residential intensity rules
 - Creating additional rural zones to separate out different rural activities in the PDP vs one zone trying to provide for primary production lots, rural lifestyle and rural residential in the ODP
- More effective management of reverse sensitivity effects by:
 - Removing permissive effects-based pathway for non-primary production activities e.g. wreckers yard, trade depots etc
 - Reducing the residential intensity standards e.g. ODP allowed 1 residential unit per 12ha as a permitted activity vs the PDP which allows 1 residential unit per 40ha as a permitted activity
 - Increasing the setback from an unsealed road to 30m in PDP vs 10m in the ODP
 - Creating additional rural zones to separate out different rural activities in the PDP vs one zone trying to provide for primary production lots, rural lifestyle and rural residential in the ODP
- Absorbing all the ODP General Coastal zoned land into the Rural Production zone as the RPS now identifies the coastal environment and this is best managed through a Coastal Environment overlay rather than a zone
- Identifying what activities should be enabled in the zone, which should be provided for in particular circumstances and which should be carefully considered or not allowed

5.2.2 Horticulture zone

This is a new special purpose zone applied only to the Kerikeri / Waipapa area. The key criteria for identifying land to be included in this zone:

- **Must** have an existing Rural Production zoning;
- **Must** be in the Kerikeri / Waipapa area;
- **Must** be highly productive land;
- **Must** have access to a water source, such as an irrigation scheme or dam to support horticultural activities;
- **Must** have infrastructure available to support horticulture in the surrounding environment eg. commercial packhouses
- **May** have existing horticulture occurring

The following map shows the location of the Horticulture zone:



Map 1: Horticulture zone (area coloured)

The main changes in the overall proposed management approach are:

- New special purpose zone for the Kerikeri / Waipapa area is located over land that was zoned Rural Production in the OPD to protect a significant, well established horticulture industry and provide opportunities for its growth.
- Restrictive land use framework compared to the previous Rural Production zone framework for this area of land, but still allows for some non-horticulture activities such as a single residential activity or home business. These controls have been introduced to manage reverse sensitivity issues affecting the area;
- Allowing smaller lots than the PDP Rural Production zone, with a controlled activity status of 10ha and 4ha as discretionary reflecting smaller lots with access to water can support a range of horticulture crops and taking into account existing land patterns within the zone.
- Using a special purpose zone to signal that the best productive use of this land is for horticulture and to ensure people not undertaking a productive land use are aware of the surrounding horticultural activities, which will likely involve noise, dust, and chemical use.
- Protecting regionally significant water infrastructure, which was developed to mainly support the horticulture sector, and provide for its ability to expand.

5.2.3 Rural Lifestyle zone

The main changes in the overall proposed management approach are:

- The controlled subdivision lot size is 4ha which reflects the ODP Coastal Living framework, but there is no restricted discretionary pathway for subdivision and the discretionary minimum lot size has increased to 2ha vs 5,000m² in the ODP.
- Specific identification of activities that should be enabled in the zone, those that should be provided for and those that should be carefully considered or not allowed.
- Enabling the development of a minor residential unit as a permitted activity.
- An increase in allowed impermeable surface coverage to better integrate with the Rural Residential zone framework and to account for the larger lot sizes being promoted.

- Enables people to undertake primary production activities or use their site for a residential activity while having the option of growing their own food, or having horses or other stock at a domestic scale.
- Making it clear at a policy level that the zone is not intended to transition to an urban or settlement zone over time.

5.2.4 Rural Residential zone

The main changes in the overall proposed management approach are:

- A new discretionary subdivision lot size of 2,000m² where it can be demonstrated that onsite services such as wastewater can be provided for, compared to 3000m² in the ODP.
- Minor residential unit rule introduced as a controlled activity
- Not enabling community activities, retail, business or industrial activities as these should be directed to the adjoining urban and Heavy Industry zones or settlements, as these types of activities undermine the rural character and amenity of these areas and create reverse sensitivity issues.
- Changes to the impermeable surface coverage rule to reflect the smaller lots being provided for in the zone
- Making it clear at a policy level that this zone can be up-zoned as required as settlement or urban centres grow and that this possibility should be considered when processing resource consents applications and considering how sites are developed.

5.2.5 Upzoning of land to Rural Residential and Rural lifestyle zones

5.2.5.1 Rural Lifestyle zone

South Kerikeri Inlet and Point Veronica Special Purpose Zones

The Rural Lifestyle zone has absorbed two special area zones that are in the OPD, South Kerikeri Inlet (SKISPZ) and Point Veronica (PVSPZ).

It is considered that neither the SKISPZ or the PVSPZ meet the tests in the Zone Framework Standard of the National Planning Standards to be retained in the PDP as special zones, i.e. they do not meet all of the following criteria:

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 proposed land use activities and the anticipated outcomes for the SKISPZ and PVSPZ are not considered to be significant to the district, region or country for the following reasons:

- The PVSPZ only applies to 28 properties located on the Point Veronica headland in Opuia and these properties do not have any characteristics or values that distinguish them from any other properties located within the coastal environment in the district, with many other properties near the coast in the district also being identified as having natural character and / or containing SNAs.
- The SKISPZ only applies to 25 properties along the southern Kerikeri Inlet and these properties do not have any characteristics or values that distinguish them from any other properties located within the coastal environment in the district.
- Neither special zone area is distinctive from or holds significantly different values to any other areas of rural lifestyle development along the coast, within the district, the wider region or the country. While these areas have recognised coastal, landscape and ecological values,

these values can be managed through the district-wide/overlay provisions in the PDP and do not warrant specific zoning provisions.

Overall, it is considered that the PVSPZ and SKISPZ do not achieve the threshold for the establishment of an additional special purpose zone under the National Planning Standards. As such, these two special zones under the ODP have been zoned Rural Lifestyle under the PDP.

Additional zoning changes for the Rural Lifestyle zone

The majority of the Rural Lifestyle zone is based on the OPD Coastal Living zone areas, plus the two special purpose zones discussed above. However, some additional land parcels have also been zoned Rural Lifestyle in the wider Kerikeri area for a variety of reasons as follows:

- Some up zoning to Rural Lifestyle zone was required to avoid isolated Rural Production spot zoning and to ensure that the Rural Lifestyle zone formed a contiguous area.
- Roads have been used as a clear and logical boundary between the Rural Lifestyle and Rural Production zones to minimise adverse effects between activities along this interface. In some cases this has involved extending the Rural Lifestyle Zone up to the road boundary as opposed to stopping along a property boundary.
- Additional Rural Lifestyle zoned land is proposed along Redcliffs Road (previously Mineral Zone), as the quarry is no longer viable for further mineral extraction. Enabling rural lifestyle development is the most logical land use to enable in this area given the surrounding subdivision pattern.

5.2.5.2 Rural Residential zone

This zone has been applied to the existing Rural Living zoning in the ODP, with some additional zoning provided around Kerikeri / Waipapa, Kaitaia and Ahipara.

The additional zoning for the Kerikeri / Waipapa area relates to:

- The ODP Rural Production zoning on the northern side of Waipapa Road up to the river boundary has been up zoned to Rural Residential. This creates a continuous area of Rural Residential zoning on this side of the road and adds an extra 170ha of land to the zone.
- Two sites on the northern side of Waipapa Road, next to the Seeka Packhouse, have been zoned Rural Residential as they were two isolated Rural Production sites surrounded by residential zoned land (apart from the adjoining Horticulture Processing Facility zoning applied to the Seeka Packhouse operation).
- Two sites on Landing Road that were isolated Coastal Residential sites under the ODP, which did not qualify for Settlement zoning under the PDP, as they would have been two isolated areas of spot zoning

The additional zoning for the Kaitaia area relates to:

- Okahu Road, to provide for additional rural residential opportunities in an area identified through consultation as already being developed for rural residential scale living. Also provides a growth area away from the identified flood risk that affects the township of Kaitaia and away from land instability issues also potentially affecting other areas of land within this zone. The area provides an additional 171ha of Rural Residential zoned land.

The additional zoning for the Ahipara area relates to:

- An existing development on Sandhills Road, which is contiguous with the Ahipara urban centre, and already contains small rural residential lots consistent with the residential intensity anticipated in the Rural Residential zone.

5.2.5.3 Watea Structure Plan

Appendix 6B of the ODP contains the Watea Structure Plan, which applies to a large site in the Haruru Falls area. The structure plan is very high level – although it assigns different land uses to different

parts of the site, including both residential and business activities, there are no associated rules in the ODP to give effect to this structure plan. It is also difficult to understand what level of development should be supported on this site as the Structure Plan does not contain any details of the number or scale of lots anticipated. Therefore, the Watea Structure Plan has not been rolled over to the PDP, as it is a stand-alone high-level plan with no implementing rules that could be translated into either a special purpose zone, or an overlay. Instead, the site has been given a Rural Residential zoning.

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. As stated earlier in the report, there is a separate Section 32 report for the Settlement zone and the Horticulture Processing Facility special zone, which is part of the Rural Environment and should be read in conjunction with this report.

5.3.1 Summary of objectives

The proposed management approach for the Rural chapters includes the following summarised objectives:

- Rural Production zone:
 - is available for primary production activities and is protected for current and future generations
 - is used for primary production activities and ancillary activities that support this sector, and allows other compatible activities that have a function need to be in that location
 - protects highly productive land from sterilisation and reverse sensitivity
 - requires development not to worsen any natural hazards and have the required onsite infrastructure
 - maintains the rural character and amenity associated with a zone enabling and supporting a working rural environment.

- Horticulture zone:
 - is available for horticultural activities and is protected for current and future generations
 - enables horticultural and ancillary activities
 - development avoids land sterilisation, inappropriate land fragmentation
 - avoids reverse sensitivity effects that would constrain primary production activities
 - maintains rural character and amenity
 - requires development not to worsen any natural hazards and have the required onsite infrastructure.

- Rural Lifestyle zone:
 - is used predominantly for low density residential activities and small-scale farming
 - character and amenity is characterised by low density residential and farming activities, onsite infrastructure, low traffic volume roads and areas of biodiversity, natural features and open space.
 - does not compromise primary production activities in the adjacent Rural Production zone.

- Rural Residential zone:
 - is used predominantly for residential activities and small scale farming activities.
 - character and amenity is maintained and enhanced, by peri-urban residential activities, small scale farming, with residential development being reflective of the associated adjacent urban area.

- helps meet the demand for growth around urban centres, and ensures the ability of the land to be rezoned for urban development in the future.
- development maintains its character and amenity values.
- is managed to control reverse sensitivity issues within the zone or at the zone interface.

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 the Rural chapters includes the following summarised policies:

- Rural Production zone:
 - Enables primary production activities, and that the zone is where these activities should be located
 - Enables a range of compatible activities that support primary production activities, such as home business, residential units, subject to scale controls and density
 - Provides for rural industry, mineral extraction and intensive indoor primary production
 - Requires the management of new sensitive activities and other non-productive activities to avoid and manage reverse sensitivity effects on primary production activities
 - Requires landuse and subdivision to maintain or enhance the rural character and amenity of the zone, through predominance of primary production activities, generally low site coverage of buildings / structures, acknowledging typical adverse effects in the zone such as noise and odour, while also acknowledging that due to the scale of our district that rural character is diverse throughout the zone
 - Requires avoidance of land uses that are incompatible with the outcomes sought in the zone, that do not have a function need to be in the zone, would result in loss of highly productive land and cannot provide appropriate onsite infrastructure
 - Requires avoidance of subdivisions that would result in the loss of highly productive, result in fragmented land that can no longer support farming activities
 - Only allows for rural lifestyle development where there is a biodiversity environmental benefit. Does not allow Rural Residential subdivision
- Horticulture zone:
 - Development will not result in the loss of highly productive land or compromise the use of land for horticulture activities
 - Avoids land uses that do not have a functional need to be located in the zone
 - Requires residential activities to avoid or mitigate reverse sensitivity effects on horticulture activities
 - Enables horticulture and associated ancillary activities, such as a residential unit or home business subject to appropriate onsite infrastructure
 - Requires residential activities to avoid or manage reverse sensitivity effects, through design and location
 - Avoids fragmentation of land, to ensure the long-term viability of the highly productive land resource within the zone and to support the regionally significant water infrastructure
 - Encourages amalgamation or boundary adjustments where it will make horticulture activities more viable
 - Enables other farming activities
 - Enables residential activities to continue on existing fragmented land within the zone

- Rural Lifestyle zone:
 - Enables activities that will not compromise the role, function, character, and amenity of the zone, such as low density residential activities, small scale farming
 - Avoids activities that are incompatible with the purpose of the zone and its character and amenity, such as activities with an urban form or character, intensive primary production, commercial and industrial activities that should be located in urban environments
 - Avoids or manages the zone interface with the Rural Production zone to manage reverse sensitivity effects on primary production activities

- Rural Residential zone:
 - Enables activities that will not compromise the role, function, character and amenity of the zone, such as residential activities, small scale farming, small scale visitor accommodation
 - Avoid activities that are incompatible with the purpose of the zone and its character and amenity, such as intensive indoor primary production, commercial or industrial activities that are more appropriate in urban environments
 - Avoids or manages the zone interface with the Rural Production or Horticulture zones to manage reverse sensitivity effects on primary production activities
 - Require infrastructure that is anticipated in this zone due to the level of density provided for, with smaller lot sizes and primarily residential activities such as telecommunications and electricity connections at the boundary
 - That development considers where possible that this zone in the future may be up zoned to cater for urban growth

Some of the more relevant definitions for the Rural Chapters (*identified definitions set by the Planning Standards):

ARTIFICIAL CROP PROTECTION means structures with cloth material used to protect crops and plants.

FARM QUARRY means the extraction of aggregates which are:

1. taken for use ancillary to farming and horticulture, including for farm and forestry tracks, access ways and hardstand areas and
2. only used within the same production unit, where the extraction was undertaken, and
3. not sold, exported or removed from the production unit of origin.

FARMING means the use of land for the purpose of agricultural, pastoral, horticultural or apiculture activities, including accessory buildings, but excludes mining, quarrying, plantation forestry activities, intensive indoor primary production and processing activities.

Note: this definition is a subset of primary production.

***FUNCTIONAL NEED** means the need for a proposal or activity to traverse, locate or operate in a particular environment because the activity can only occur in that environment.

GARDEN CENTRE Shop for the sale of plants, trees or shrubs, includes the sale of:

- landscaping supplies;
- bark and compost; and
- statuary and ornamental garden features provided that their sale is accessory to the sale of plants, trees or shrubs.
-

HIGHLY PRODUCTIVE LAND means land that is or has the potential to be highly productive. It includes versatile soils and Land Use Capability class 4 land, and other classes of Land Use Capability where the land is highly productive, having regard to:

- a. soil type;
- b. physical characteristics;
- c. climatic conditions; and
- d. water availability.
- e.

***PRIMARY PRODUCTION** means:

- a. Any aquaculture, agricultural, pastoral, horticultural, mining, quarrying or forestry activities; and
- b. Includes initial processing, as an ancillary activity, of commodities that result from the listed activities in a);
- c. Includes any land and buildings used for the production of the commodities from a) and used for the initial processing of the commodities in b); but
- d. Excludes further processing of those commodities into a different product.
- e.

***RURAL INDUSTRY** means an industry or business undertaken in a rural environment that directly supports, services, or is dependent on primary production.

RURAL PRODUCE MANUFACTURING means the use of land and/or buildings for the manufacturing of products from rural produce grown on the same site.

RURAL PRODUCE RETAIL means the sale of rural produce grown or produced on-site, including products manufactured from that produce.

RURAL TOURISM ACTIVITY means the use of land or buildings for people to visit and experience the rural environment. It does not include:

1. Rural production retail
2. Rural production manufacturing
3. Visitor accommodation
4. Home business

SENSITIVE ACTIVITY 1. means:

- a. Residential activities;
- b. Education facilities and preschools;
- c. Guest and visitor accommodation;
- d. Health care facilities which include accommodation for overnight care;
- e. Hospital;
- f. Marae; or
- g. Place of assembly

STOCK HOLDING AREA means milking platforms, feedpads, wintering pads, and farm raceways used for stock holding purposes during milking; but excludes sheep and cattle yards constructed on pasture or bare soil.

VERSATILE SOILS means land classified as Land Use Capability 1c1, 2e1, 2w1, 2w2, 2s1, 3e1, 3e5, 3s1,3s2 and 3s4.

The proposed management approach for the Rural chapters includes rules and standards that:

Rural Production zone:

- Enables and promotes primary production as the main activity supported by this zone, due to its functional need to be located in this environment and its relationship with soils
- Enables community and emergency service facilities to occur in the zone to support rural communities and provide for their wellbeing
- Provides for papakainga housing, on land that is in general title but is ancestral land subject to siting and design controls, where there is certainty that the land will not be fragmented and will continue to be used for papakainga housing

- Prevents land fragmentation, loss of highly productive land and sterilisation of productive activities being able to be undertaken
- Allows for a minor residential unit as a controlled activity to provide for works accommodation, extended family or alternative income subject to siting and design controls
- Enables residential activity that focuses on density, siting and design to manage reverse sensitivity effects, sterilisation of land and land fragmentation
- Enables small scale and complementary non primary production activities such as home business, retail and manufacturing associated with produce grown on a site, visitor accommodation
- Provides for rural industry and intensive indoor primary production
- Provides for rural tourism activities and extensions of existing commercial and industrial activities
- Does not support new commercial or industrial activities, unless it can be demonstrated through a non-complying consent that the activity is appropriate, as these activities should be located in urban environments or settlements as they have no functional need to be in this zone
- Allows a limited amount of rural lifestyle development where significant biodiversity environmental benefits are achieved

Horticulture zone

- Enables and promotes horticulture as the main activity supported by this zone, due to its functional need to be located in this environment and its dependency on highly productive land and water sources
- Enables a single residential unit per site, subject to siting and design controls to manage reverse sensitivity and land sterilisation
- Prevents land fragmentation, loss of highly productive land and sterilisation of horticulture activities being able to be undertaken
- Enables small scale and complementary non primary production activities such as a home business, or retail and manufacturing associated with produce grown on a site
- Provides for other farming activities
- Enables or provides for supporting horticulture ancillary activities
- Enables or provides for a limited range of activities to protect the highly productive land and regionally significant water infrastructure within this zone.

Rural Lifestyle

- Enables and promotes low density residential activities as the main activity supported by this zone, with the ability to undertake small scale farming or have domestic stock
- Enables a minor residential unit as a permitted activity to provide for more housing options near urban centres and settlements and to help offset the more restrictive residential intensity rules in the Rural Production and Horticulture zones
- Enables small scale and complementary non primary production activities such as a home business, visitor accommodation, education facility, rural produce retail
- Provides for rural produce manufacturing when the produce is grown on the site
- Provides for other activities such as community facilities or other commercial activities where appropriate.

Rural Residential zone:

- Enables residential activities that are more akin to an urban environment, but on larger lots to reflect lack of reticulated services
- Provides for a minor residential unit as a controlled activity to support more housing options near urban centres and settlements and to help offset the more restrictive residential intensity rules in the Rural Production and Horticulture zones

- Require development to reflect the amenity and character of the surrounding environment, which will determine whether infrastructure anticipated in an urban environment is required such as footpaths, street lighting
- Allows for more density with lots as small as 2,000m² to help offset the more restrictive subdivision rules in the Rural Production, Horticulture and Rural Lifestyle zones and to get a better level of density in areas that are already fragmented, while ensuring there is sufficient land area to cater for onsite infrastructure
- Directs non-residential activities to more appropriate urban / settlement locations
- Supports small scale farming activities, but is less enabling of other rural activities that should be undertaken in the Rural Production zone

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. Section 4.3.2 of this report provides a summary of advice received from iwi authorities on the Rural environment chapter. The proposed management approach responds to this advice as follows:

- Te Runanga O Ngāti Rēhia advised:
 - *concern over rural lifestyle fragmentation, and the associated pressures on services required to support increase in population.* Changes to the rural environment framework have been developed to address fragmentation, and to promote lifestyle to occur in a dedicated lifestyle zone, which is not in the ODP, or only allow limited lifestyle opportunities in the Rural Production zone.
 - *support in principle for the requirements of the Rural Lifestyle, Rural Production, Horticulture and Rural Residential zones.* No action required.
- Te Runanga O Te Rarawa advised:
 - *Objectives in the Rural Residential zone needed to protect versatile soils due to many of the Districts urban centres being located on quality soils.* This zone is to primarily support residential activities, in areas that have historically been zoned for this purpose and are fragmented to a level that would prevent primary production activities (which would be inappropriate in this zone as they would conflict with the adjoining urban environment). To offset this type of development on versatile soils, these areas should be intensified over time to meet future urban growth demands and remove pressure from other undeveloped areas containing versatile soils.
 - *Setbacks from waterbodies is not consistent with the National Policy Statement for Freshwater (2020) and the accompanying National Environmental Standards. Cultural matters should also be included in matters of discretion relating to setbacks.* Setbacks from waterbodies are now managed in the Natural Character chapter and are considered to align with the relevant higher order documents. Cultural matters are a matter of discretion in that policy framework.
 - *Identify horticulture zoned land throughout the district, due to highly quality soils being located across the district.* It is considered that a specific horticulture zone is only required for Kerikeri and Waipapa due to current and future anticipated growth demands. The Rural Production zone still enables horticulture activities and provides protection for highly productive land.
- Kahukuraariki, Matauri X, Ngati Kuri, Ngai Takoto, Whaingaroa, Ngati Kuta, Te Aupori advised:
 - *The permissiveness of the Rural Production zone has only been an issue at the rural / urban interface in growth areas. Many whanau will have land zoned Rural Production who are located in true rural settlements where a permissive framework may be entirely*

appropriate. The PDP will include a Settlement zone for non-urban environments, and there are rules in the Rural Production zone that enable Papakāinga and also community facilities. A Rural Lifestyle zone is also being included in the PDP in addition to the Rural Residential zone to better manage growth around urban centres. There is also a Maori Purpose zone in the PDP which will apply to land owned by whanau, that provides a different framework to the Rural Production zone.

- *The interface between treaty settlement land and rural production land requires careful consideration as it seems that both sets of rules will apply to potential activities.* The provisions of the underlying zone apply to Treaty settlement land unless otherwise specified in the Treaty Settlement Land overlay chapter. The rules provide that where the activity for the relevant zone provides for the same activity, the less restrictive rule applies.
 - *Rural Production zone Objective 3 requires land use and subdivision to avoid land sterilisation of highly versatile and arable soils this is a high test and needs to be further tested alongside the treaty settlement overlay.* It is not appropriate to alter the purpose and outcomes sought for the Rural Production zone to address this issue. Instead, the Treaty Settlement overlay will provide direction on this, as it is a framework to support Maori land development.
 - *Rural Production zone Policy 7 should also require applicants to consider scheduled sites.* The final policy in this chapter gives direction on what matters should be considered for discretionary and non-complying activities and it highlights that cultural values should be assessed.
 - *The 30m setback from a road frontage for habitable buildings can place unnecessary development costs onto people it is suggested that 10m setback from sealed roads and 30m from unsealed roads be more appropriate.* The PDP only now requires a 30m setback from unsealed roads, upon consideration of this feedback and further review of the draft plan.
- Kahukuraariki, Matauri X, Ngati Kuri, Ngai Takoto, Whaingaroa, Ngati Kuta, Te Aupori, Ngati Kuta advised:
 - *Rural Production zone policy 4 relies on an updated schedule of sites of cultural significance where no fixed timeframe is given for this work consideration is needed of how to take a precautionary approach.* The PDP has not retained this policy. Management of scheduled sites are managed through other heritage and cultural value chapters. In terms of unscheduled sites, they can be considered at the time of subdivision, and in some instances when land use occurs if there is scope under matters of discretion e.g resource consent is required for an earthworks breach. Council has stated that it will undertake a dedicated plan change 2 years post Council decision on the PDP to schedule additional sites, subject to funding, RMA and Local Government reform.

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 rationale 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 the Rural Environment are evaluated in the table below

Criteria	Comment	Assessment
Raises any principles of the Treaty of Waitangi	The principles of partnership, participation and protection have been taken into consideration in the drafting of the PDP provisions. The significance of the Rural zones to Māori is considered to be medium due to the rural environment containing most of the district's biodiversity, historic heritage and other matters of importance to Māori. Those matters however are managed by specific overlays rather than rural environment provisions. Items of natural, historical or cultural significance that are not scheduled can in many instances be dealt with through the consenting process such as protecting areas of biodiversity or requiring a heritage report. The Rural zones also have an interface with the Māori Purpose zone and where the Treaty Settlement overlay applies to the rural environment. Ancestral land in general title is also likely to be in the Rural Production zone, hence why a pathway for papakainga housing has been provided for in the Rural Production zone.	Medium
Degree of change from the Operative Plan	The approach has changed considerably from the ODP, both with respect to the zones, and the way in which the chapters manage land use and subdivision. Additionally, the replacement of coastal zones with a coastal overlay in the rural environment is a significant change from the status quo. Additional land has been zoned for Rural Lifestyle and Rural Residential development	High

Criteria	Comment	Assessment
	<p>(beyond the ODP Coastal Living and Rural Living zones), with a few special purpose zones and structure plan areas not being rolled over from the ODP and instead being absorbed into a PDP rural zone.</p> <p>The PDP has moved to a hybrid approach which is more prescriptive and specifically identifies the activities that the plan does and does not provide for. This has been enabled in the Rural chapters by having a larger range of “rural zones” which allow the PDP to be more directive as to where activities should locate. This will also help to retain the productive potential of the Rural Production zone by using other Rural zones to provide for lifestyle and residential living.</p> <p>Introducing provisions to protect highly productive land and preventing land fragmentation and sterilisation will align with the NRPS and will also help to address a significant issue identified for our district.</p> <p>Taking a targeted approach for the Kerikeri and Waipapa area by introducing the Horticulture zone will assist with managing growth pressures and safeguarding the economically significant horticultural sector established there.</p> <p>Removing the permissive subdivision framework for the Rural Production zone and replacing it with a more targeted approach that directs rural lifestyle and rural residential subdivision opportunities to other zones is a significant change from the ODP.</p> <p>The new Māori Purpose zone primarily applies to land that was previously zoned Rural Production under the ODP and provides for more intensive development (particularly residential development and papakainga) than is enabled in the Rural Production zone of the PDP.</p>	
Effects on matters of national importance	The matters of national importance in s6 of the RMA will be largely be addressed by other chapters of the PDP. These more stringent rules in other chapters will take precedence over the rules in the Rural zone chapters if a proposal has a potential impact on a matter of national importance.	Medium
Scale of effects – geographically (local, district wide,	This is a district wide issue as the rural environment makes up majority of the district. Provisions for the Rural Production zone in	High

Criteria	Comment	Assessment
regional, national).	<p>particular will have wide ranging implications due to the amount of land covered by this zone. Although the spatial extent of the Rural Production zone is largely unchanged from the ODP (except for land becoming Maori Purpose – zone), the rules that apply in the Rural Production zone are significantly different, particularly more restrictive rules in relation to subdivision and being more directive about the sorts of activities that can occur. However, the impact on landowners is potentially limited by the fact that most Rural Production zoned land is utilised by primary production activities (mainly farming), which are enabled and more efficiently protected by the Rural Production zone provisions. The Rural Production zone makes up 65% of all land in the district.</p> <p>There have also been a number of zone changes with the creation of a special purpose zone around the Kerikeri / Waipapa area for Horticulture and the use of a Rural Residential special purpose zone to address un-serviced residential land on the edge of urban centres and settlements. The impact of these special zones is localised and scale of effects are limited to those properties within those zones.</p>	
Scale of people affected – current and future generations (how many will be affected – single landowners, multiple landowners, neighbourhoods, the public generally, future generations?).	<p>This is a district wide issue therefore a significant portion of the district will be affected by the framework changes proposed.</p> <p>There will be a positive impact on current and future generations as the intent of the new framework is to safeguard the productive potential of the Rural Production and Horticulture zones, while providing for lifestyle and rural residential scale options in the other rural zones. Non primary production activities are still enabled or allowed in some rural zones subject to them having a functional need to be in the zone. Undertaking a consolidated review of the OPD has enabled an integrated approach, with a more enabling framework being created in the urban zones and heavy industry zone to support more housing and business development in those locations and relieve development pressure on rural areas, which will result in better infrastructure and planned development outcomes for the district.</p>	High
Scale of effects on those with specific	Industry groups such as Federated Farmers and Horticulture New Zealand will have a particular	Medium

Criteria	Comment	Assessment
interests, e.g., Tangata Whenua	interest in the rural environment framework, potential adverse effects on these groups are likely to be minimal as most changes are positive for the primary production sector. There may be some interest from Tangata whenua in relation to land that doesn't qualify for the Māori Purpose zone, however this is likely to be a very small percentage of land. There will be interest from Tangata whenua where the Treaty Settlement overlay applies to a rural zone, as approximately 20% of this land is within the Rural Production zone. Additionally, Tangata whenua will be generally interested in the wider Rural Production zone as it contains high levels of biodiversity and historic heritage.	
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?	<p>The most specific higher order direction on how to draft the rural zones comes from the NRPS, and the National Planning Standards. Overall, the PDP approach aligns with the National Planning Standards and with the RPS.</p> <p>It is noted that there is a draft national policy statement for the protection of highly productive land, but this has not yet been gazetted and no timeframe has been provided as to when this will come into effect. It is considered that overall the framework would align with a NPS to protect highly productive land, based on the preliminary consultation drafts provided to date.</p> <p>The use of agrichemicals in the rural environment has resulted in the PDP managing potential amenity effects through setbacks from boundaries etc, which is considered to be commonly accepted best practice. However, there are NZ Standards that control agrichemicals and the effects of agrichemicals on human health are predominantly managed by the PRP.</p>	Low

6.3 Summary of scale and significance assessment

Overall, the scale and significance of the effects from the proposal is assessed as being medium. Consequently, a medium level of detail is appropriate for the evaluation of the objectives and provisions for Rural environment 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 Rural Environment is against four criteria to test different aspects of ‘appropriateness’ as outlined below.

Criteria	Assessment
Relevance	<ul style="list-style-type: none"> Is the objective directly related to a resource management issue? Is the objective focused on achieving the purpose of the RMA?
Usefulness	<ul style="list-style-type: none"> Will the objective help Council carry out its RMA functions? Does the objective provide clear direction to decision-makers?
Reasonableness	<ul style="list-style-type: none"> Can the objective be achieved without imposing unjustified high costs on Council, tangata whenua, stakeholders and the wider community?
Achievability	<ul style="list-style-type: none"> 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 rural environment have been grouped in the evaluation below as appropriate.

7.1.1 Evaluation of existing objectives

The objectives below are the objectives for the Rural Production, General Coastal, Coastal Living and Rural Living zones in the ODP which were considered to be part of the rural environment. The Waimate North special area has been considered under the Historic Heritage Section 32 report and the benefits and costs of retaining the Point Veronica and South Kerikeri Inlet special zones has already been covered in section 5.2.5 of this report.

Objective(s):

Rural Production zone

8.6.3.1 To promote the sustainable management of natural and physical resources in the Rural Production Zone.

8.6.3.2 To enable the efficient use and development of the Rural Production Zone in a way that enables people and communities to provide for their social, economic, and cultural well being and for their health and safety.

8.6.3.3 To promote the maintenance and enhancement of the amenity values of the Rural Production Zone to a level that is consistent with the productive intent of the zone.

8.6.3.4 To promote the protection of significant natural values of the Rural Production Zone.

8.6.3.5 To protect and enhance the special amenity values of the frontage to Kerikeri Road between its intersection with SH10 and the urban edge of Kerikeri.

8.6.3.6 To avoid, remedy or mitigate the actual and potential conflicts between new land use activities and existing lawfully established activities (reverse sensitivity) within the Rural Production Zone and on land use activities in neighbouring zones.

8.6.3.7 To avoid remedy or mitigate the adverse effects of incompatible use or development on natural and physical resources.

8.6.3.8 To enable the efficient establishment and operation of activities and services that have a functional need to be located in rural environments.

8.6.3.9 To enable rural production activities to be undertaken in the zone.

General Coastal zone

10.6.3.1 To provide for appropriate subdivision, use and development consistent with the need to preserve

its natural character.

10.6.3.2 To preserve the natural character of the coastal environment and protect it from inappropriate subdivision, use and development.

10.6.3.3 To manage the use of natural and physical resources (excluding minerals) in the general coastal area to meet the reasonably foreseeable needs of future generations.

Coastal Living

10.7.3.1 To provide for the well being of people by enabling low density residential development to locate in coastal areas where any adverse effects on the environment of such development are able to be avoided, remedied or mitigated.

10.7.3.2 To preserve the overall natural character of the coastal environment by providing for an appropriate level of subdivision and development in this zone.

Rural Living

8.7.3.1 To achieve a style of development on the urban periphery where the effects of the different types of development are compatible.

8.7.3.2 To provide for low density residential development on the urban periphery, where more intense development would result in adverse effects on the rural and natural environment.

8.7.3.3 To protect the special amenity values of the frontage to Kerikeri Road between SH10 and the urban edge of Kerikeri.

Relevance

The General Coastal zone has little relevance in terms of rural sustainability even though much of this land is used for farming activities. Its focus was on protection of “coastal values”, with a general statement about managing the use of natural and physical resources. This is a similar approach taken for the Coastal Living zone, with limited regard to the rural setting or recognition through the objectives that farming activities would be occurring in these locations, or that these lots would be used for domestic food production. The Rural Production objectives have a strong focus on enabling primary production, but do not offer any protection of highly productive land, nor do they clearly seek outcomes that would avoid land fragmentation and/or sterilisation. It should be noted that this framework was developed prior to the NRPS becoming operative and therefore did not receive specific direction to protect the productive potential of the Rural Production zone. The Rural Living objectives do not clearly state the role of the zone with respect to other rural zones. There is a strong focus in all zone objectives on managing the natural environment when this would be more appropriately dealt with through overlays. Overall, some of the objectives for the rural zones are still relevant, while others do not give effect to higher order documents and/or do not provide sufficient direction as to desired outcomes in each zone.

Usefulness

While the objectives do assist Council to carry out its RMA functions, they do not manage the loss of highly productive land or clearly state the roles and functions of each zone to create an integrated approach to managing the Rural Environment to protect the productive potential of land (particularly in the Rural Production zone). They also do not clearly direct desired outcomes for each zone in terms of whether non-residential and non-primary production activities should be enabled. The result is that the objectives inadvertently create pathways for many potentially incompatible activities to establish in the rural environment, when they should be located in urban environments. This creates uncertainty for landowners as to what activities can establish on their land (and on neighbouring land) and can result in reverse sensitivity effects when incompatible or sensitive activities locate in close proximity to primary

	production activities.
Reasonableness	Costs associated with these objectives will generally fall on the landowner that is impacted by inappropriate development occurring near them, be it rural residential development next to farming activities or commercial and industrial activities occurring on land intended for rural residential or lifestyle development. The benefit of an enabling, effects-based framework is that a wide range of activities have more opportunities to choose where to establish, which in the short term meets the needs of the district or a landowner but there is no certainty as to what activities should be undertaken in these zones. The consideration of reasonableness turns on whether it is more reasonable to be enabling of most activities when dealing with a finite resource (highly productive rural land), or whether it is a better use of that resource to limit the range of activities that can use it, so it is available for long-term food production. In this case, the operative objectives are not the most reasonable way to prevent high costs on the wider community as there are greater costs associated with the loss of productive rural land over time compared to restrictions on opportunity costs for non-productive land uses.
Achievability	These objectives do not achieve the outcomes desired for the rural environment. The broad scope of the objectives and lack of clear direction on desired outcomes for each type of rural zone make it easy for any activity to achieve these objectives and obtain a resource consent. This makes it difficult for Council planners responsible for the implementation of the rural environment provisions to decline applications that will result in poor environmental outcomes in terms of land fragmentation, reverse sensitivity and loss of highly productive land.
<u>Overall evaluation</u>	
<p>On balance it is considered that the existing objectives across the Rural zones in the ODP do not provide sufficient guidance about how the District will retain its productive potential, protect its highly productive land or direct Rural Lifestyle and Rural Residential development to appropriate locations across the district. The objectives do not support development occurring in a cohesive and structured way and are not considered to achieve the purpose of the RMA. The objectives focus in many instances on section 6 matters that more appropriately managed by other chapters in the OPD and try to be enabling and support a range of activities rather than clearly defining the role of each zone. It is not good planning practice to adopt rural environment objectives that fail to address issues such as avoiding inappropriate land fragmentation and loss of highly productive land, and do not clearly manage non primary production activities. It is not considered appropriate to enable a range of activities in rural zones, particularly those that should be located in urban centres or settlements or fail to avoid or manage reverse sensitivity effects on primary production activities. As such, retaining the rural environment objectives of the ODP is not considered to be the most appropriate way to give effect to the purpose of the RMA.</p>	

7.1.2 Evaluation of proposed objectives

Objective(s):

Rural Production zone

RPROZ-O1 The Rural Production zone is managed to ensure its availability for primary production activities and its long-term protection for current and future generations.

RPROZ-O2 The Rural Production zone is used for primary production activities, ancillary activities that support primary production and other compatible activities that have a functional need to be in a rural environment.

RPROZ-03 Land use and subdivision in the Rural Production zone:

- a. protects highly productive land from sterilisation and enables it to be used for more productive forms of primary production;
- b. protects primary production activities from reverse sensitivity effects that may constrain their effective and efficient operation;
- c. does not compromise the use of land for farming activities, particularly on highly productive land;
- d. does not exacerbate any natural hazards; and
- e. is able to be serviced by on-site infrastructure.

RPROZ-04 The rural character and amenity associated with a rural working environment is maintained

Horticulture

HZ-01 The Horticulture zone is managed to ensure its long-term availability for horticultural activities and its long-term protection for the benefit of current and future generations.

HZ-02 The Horticulture zone enables horticultural and ancillary activities, while managing adverse environmental effects on site.

HZ-03 Land use and subdivision in the Horticulture zone:

- a. avoids land sterilisation that reduces the potential for highly productive land to be used for a horticulture activity;
- b. avoids land fragmentation that comprises the use of land for horticultural activities;
- c. avoids any reverse sensitivity effects that may constrain the effective and efficient operation of primary production activities;
- d. does not exacerbate any natural hazards;
- e. maintains the rural character and amenity of the zone;
- f. is able to be serviced by on-site infrastructure.

Relevance

These objectives directly relate to the significant resource management issues relevant to these two zones, namely the need to protect and preserve highly productive land, recognising the important role of the primary production sector for the Far North District and recognising that primary production activities have a functional need to locate in the rural environment. The approach to the primary production environment has changed given the direction in the NRPS in terms of how best to manage the coastal environment, the need to avoid the loss of highly productive land (particularly versatile soils), avoid land fragmentation and avoid or manage reverse sensitivity on primary production activities.

Usefulness

These objectives are useful in helping Council, landowners and developers clearly understanding the outcomes sought in these zones. The objectives clearly state that the main functions of these zones are to support and protect primary production activities, avoid the loss of highly productive land and prevent land fragmentation. They will enable Council to decline inappropriate developments and will direct developers to look at alternative locations. This will achieve better outcomes in terms of achieving consolidated urban environments, rather than developers seeking out opportunities for urban activities to establish on Rural Production land due to the existing permissive planning regime, and lower costs to develop in some instances than an urban environment (e.g. costs of infrastructure are often borne by the end purchaser in a rural environment rather than the developer).

Reasonableness

These objectives still allow for non-primary production activities to occur but will ensure that they establish in a manner and scale that avoids land

	sterilisation, loss of highly productive land and reverse sensitivity effects on primary production activities. It does not result in unreasonable restrictions being imposed on landowners (as they can still undertake a residential activity as well as a range of small, at home businesses or ancillary activities that support primary production). The objectives are considered to strike the right balance between enabling some activities and restricting others to ensure that rural environments with the best soil and water resources are used by primary production activities and not undermined by other inappropriate activities.
Achievability	It is considered that the objectives can be achieved by those responsible for implementation (i.e. Council) as they give plan users clear direction on outcomes for these zones. The objectives will not result in land being sterilised as a wide range of primary production activities and supporting ancillary activities are enabled and existing activities will be able to continue where lawfully established. They have also been written in a manner that is clear and understandable.
Overall evaluation	
The objectives address the resource management issues relevant to rural sustainability and are considered to appropriately achieve the sustainable management of the RMA. The objectives will sustain the existing and productive potential of the rural land resource for current and future generations, while enabling people and communities to provide for their wellbeing.	

Rural Lifestyle zone

RLZ-O1 The Rural Lifestyle Zone is used predominantly for low density residential activities and small scale farming activities that are compatible with the rural character and amenity of the zone.

RLZ-O2 The predominant character and amenity of the Rural Lifestyle Zone is characterised by:

- a. low density residential activities;
- b. small scale farming activities with limited buildings and structures;
- c. smaller lot sizes than anticipated in the Rural Production Zone;
- d. a general absence of urban infrastructure;
- e. rural roads with low traffic volumes;
- f. areas of vegetation, natural features and open space.

RLZ-O3 The role, function and predominant character and amenity of the Rural Lifestyle Zone is not compromised by incompatible activities.

RLZ-O4 Land use and subdivision in the Rural Lifestyle Zone does not compromise the effective and efficient operation of primary production activities in the adjacent Rural Production Zones.

Rural Residential zone

RRZ-O1 The Rural Residential zone is used predominantly for rural residential activities and small scale farming activities that are compatible with the rural character and amenity of the zone.

RRZ-O2 The predominant character and amenity of the Rural Residential Zone is maintained and enhanced, which includes:

- a. peri-urban scale residential activities;
- b. small-scale farming activities with limited buildings and structures;

- c. smaller lot sizes than anticipated in the Rural Production or Rural Lifestyle Zones; and
- d. a diverse range of rural residential environments reflecting the character and amenity of the adjacent urban area.

RRZ-O3 The Rural Residential zone helps meet the demand for growth around urban centres while ensuring the ability of the land to be rezoned for urban development in the future is not compromised.

RRZ-O4 Land use and subdivision in the Rural Residential zone:

- a. maintains rural residential character and amenity values;
- b. supports a range of rural residential and small-scale farming activities; and
- c. is managed to control any reverse sensitivity issues that may occur within the zone or at the zone interface.

Relevance	These objectives directly relate to the significant resource management issues relevant to these two zones, as well as recognising the need to provide for rural lifestyle and rural residential development in the rural environment. The approach to managing the primary production environment has changed given the direction in the NRPS to avoid the loss of production potential, land fragmentation and reverse sensitivity on primary production activities. It is therefore important to direct activities that will further fragment land to the right locations, which is why specific zones to accommodate the desire for rural residential and rural lifestyle development are an important part of managing land in the rural environment. The objectives also ensure that these zones will be used primarily for residential activities and that their rural character and amenity will be protected from the effects of incompatible activities locating in the zone.
Usefulness	These objectives are useful in helping Council, landowners and developers clearly understanding the outcomes sought in these zones. They clearly state that the main function of these zones are to provide for low density residential development (Rural Lifestyle) and peri-urban development (Rural Residential), while still enabling small scale farming or domestic animals if desired by landowners. It will enable Council to decline applications for inappropriate development and it directs developers to prioritise these zones for rural lifestyle and rural residential subdivision opportunities, as opposed to the Rural Production or Horticulture zones. The clear differentiation between Rural Lifestyle (larger rural lots, not intended for future urban development) and Rural Residential (smaller rural lots, likely to be used for future urban development) is useful as it sets clear expectations for the community about the future use of these zones.
Reasonableness	These objectives allow for non-residential activities to occur but ensures they are done in a manner and at a scale that is appropriate for these zones, which also have an interface with the wider rural environment. It does not result in unreasonable restrictions being imposed on landowners and is considered to strike the right balance between providing for rural residential and rural lifestyle development (as there is clear district demand for this type of property), while integrating with the urban environment and the wider productive rural environment.
Achievability	It is considered that the objectives can be achieved by those responsible for implementation (i.e. Council) as they give plan users clear direction on outcomes for these zones. The objectives will result in land being used more

	efficiently for rural residential and rural lifestyle development but will also ensure existing activities can continue to operate where lawfully established. They have also been written in a manner that is clear and understandable.
<p><u>Overall evaluation</u></p> <p>The objectives address the resource management issues relevant to rural sustainability and are considered to appropriately achieve the sustainable management of the RMA. The objectives will sustain the existing and productive potential of the rural land resource for current and future generations by providing opportunities for people and communities to live in a rural environment near settlements and urban centres, on smaller sites than provided for in the wider rural environment, away from the most productive parts of the District.</p>	

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 reasonable 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 6.0 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 6.0, the scale and significance of the effects of proposed changes for Rural Environment are assessed as being medium. 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 the topic. The Rural Environment Economic Analysis Report that was commissioned for the Council does provide some financial benefits and costs in relation to this topic and should be referred to alongside this report. Rather than focusing on a quantified assessment, this evaluation focuses on providing a qualitative assessment of the environmental, economic, social and cultural benefits and costs anticipated from the provisions.

8.3 Evaluation of options

8.3.1 Option 1: Status quo

Option 1:		
Retain Status Quo: operative district plan zoning and provisions		
<ul style="list-style-type: none"> Rural environment is made up of the following zones – Rural Production, Rural Living, General Coastal and Coastal Living zones No changes to ODP land use or subdivision provisions for these zones 		
Benefits	Costs	Risk of acting / not acting
<ul style="list-style-type: none"> Controls are generally well understood by both Council staff and plan users Will be able to operate 'business as usual' with little or no disruption to consenting or compliance practice. <p><u>Economic growth and employment opportunities</u> As the status quo seeks to retain 'business as usual' no additional economic or employment growth is anticipated.</p>	<ul style="list-style-type: none"> Operative zoning (particularly the rural production zone) does not reflect the function of the rural environment as predominantly to support primary production activities Effects based approach does not provide sufficient clarity on the desired outcomes for the rural environment, or the appropriate mix of activities to be located in these areas. Lost economic opportunities due to land sterilisation and fragmentation Zones such as General Coastal and Coastal Living are not used in the National Planning Standards so Council will not be fulfilling its statutory obligations. Having the Rural Production zone predominately managed using an effects-based approach with thresholds for various effects has resulted in poor environmental outcomes. The operative Rural Production provisions do not reflect that the main function of the rural environment is to support primary production activities and the permissive provisions have instead resulted in the loss of highly productive land to non-productive land uses. 	<ul style="list-style-type: none"> The risk of retaining the status quo is that the existing issues with the management of the rural environment (namely lack of protection of highly productive land, land fragmentation, reverse sensitivity, no control over the location or nature of most activities, lack of direction of where rural residential and rural lifestyle activity should occur, lack of alignment with National Planning standards and NRPS) will not be resolved.

	<ul style="list-style-type: none"> Highly productive land, particularly versatile soils, is a finite resource. Reduced availability of land for primary production activities will limit food production opportunities for future generations, who may rely more on this land due to changes in climate and loss of highly productive land in location such as Auckland which are under intense pressure to develop housing. <p><u>Economic growth and employment opportunities</u></p> <ul style="list-style-type: none"> Having a permissive framework that results in the loss of highly productive land will reduce the opportunities for future generations to produce food in the Far North District and may result in less economic growth and employment opportunities in the long term, as demonstrated by the Rural Environment Economic Analysis Report. 	
<p><u>Effectiveness</u></p> <ul style="list-style-type: none"> No change in effectiveness of operative provisions and practice. The operative rules and standards and the mixture of operative zones are likely to continue to achieve some of the desired objectives especially in the rural living zone. However, status quo provisions will not give effect to the objectives that protect highly productive land, avoid land fragmentation and manage reverse sensitivity effects. All issues with retaining the status quo that are identified in the 'Risks of acting/ not acting' column will not be resolved, so the status quo provisions will not be effective in achieving the outcomes desired by the objectives. 	<p><u>Efficiency</u></p> <ul style="list-style-type: none"> The policy direction and regulatory approach being very permissive has led to uncertainty, inconsistent decision making and lack of control over certain activities which were not anticipated or desired in the rural environment Having a limited number of zones to manage subdivision use and development in the rural environment is not an efficient approach as the rural environment is not well served by a 'one size fits all' set of provisions. A more refined and directive approach is required to recognise and provide for rural housing demand, direct activities that result in land fragmentation away from the most productive land in the District and ensure only activities that are compatible with primary production activities establish in the most productive parts of the rural environment. Somewhat efficient from a plan user and plan administrator perspective as users and administrators are familiar with the operative provisions. However, the provisions are less efficient from the perspective of plan administrators trying to protect the rural environment as the operative framework is enabling and makes 	

	it difficult to decline inappropriate activities.
<p>Overall evaluation</p> <p>On balance this option is not considered to be the most appropriate option to achieve the objectives because:</p> <ul style="list-style-type: none"> • The operative policy framework does not give effect to the majority of the rural environment objectives in the PDP • The operative provisions do not address the need to protect highly productive land, avoid land fragmentation and sterilisation and do not provide enough protection for primary production activities to continue to operate in the Rural Production zone • The operative provisions do not align with the direction in the National Planning Standards to manage the rural environment through a range of zones to separate incompatible activities and direct rural housing demand to appropriate locations. • The operative provisions do not align with the NRPS, as currently only discretionary and non-complying consent applications can take this into account. 	

8.3.2 Option 2: Proposed approach

<p>Option 2: Proposed approach</p> <p><i>Introduce a Rural Lifestyle zone and Horticulture and Rural Residential special zones, in addition to retaining the Rural Production zone for rural and coastal areas of the district.</i></p>		
<p>Benefits</p>	<p>Costs</p>	<p>Risk of acting / not acting</p>
<ul style="list-style-type: none"> • A more refined, tailored approach to directing where activities should locate in the rural environment using multiple zones for different locations. • A clear list of enabled activities in each zone, supported by a directive policy framework that allows plan administrators to decline inappropriate applications that do not align with the policy direction. • Protection of highly productive land and regionally significant water infrastructure. • The provisions identify those activities which have the potential to create reverse sensitivity effects and minimises the potential for these to occur using standards to control the location of activities. • Clear direction means that users of the plan will have 	<ul style="list-style-type: none"> • Initial uncertainty for plan users and Council staff when interpreting and administering new zones and provisions. • Changes to more restrictive provisions (particularly in the Rural Production and Horticulture zones) will mean a reduction in development opportunities for some property owners. <p><u>Economic growth and employment opportunities</u></p> <ul style="list-style-type: none"> • Reduction in subdivision potential due to changes to the subdivision provisions in the Rural Production zone, however more subdivision opportunities to offset these losses 	<ul style="list-style-type: none"> • There is limited risk associated with acting as the proposed provisions will give effect to the National Planning Standards and NRPS and will provide for better environmental and economic outcomes for the rural environment in the long term.

<p>upfront understanding of the provisions, as opposed to an effects-based plan where it is often not immediately clear whether an activity requires resource consent.</p> <ul style="list-style-type: none"> • Simplified rules and standards that are easier for plan users to interpret and apply. • The proposed Horticulture zone will manage the growth pressures and issues in the Kerikeri/ Waipapa area by applying bespoke provisions to existing areas of horticulture that require protection due to their productive potential and existing investment in supporting infrastructure. • Increased lot sizes in the Rural Production zone to prevent further fragmentation of the land resource into small lots that are unable to support primary production activities. • Reducing rural lifestyle development opportunities in the Rural Production zone to reduce the potential for reverse sensitivity effects and to prevent further fragmentation as noted above. • Still providing for limited rural lifestyle development in the Rural Production zone, where there are significant biodiversity benefits (refer to Indigenous Biodiversity and Subdivision section 32 reports). • Providing two scales of residential development in a rural setting through the use of both the Rural Residential and Rural Lifestyle zones. Both zones have a different purpose in terms of the ultimate use of the land (one will remain rural while the other may transition to urban over time) to provide Far North residents with rural housing choices in locations with good access to services and transport. <p><u>Economic growth and employment opportunities</u></p> <ul style="list-style-type: none"> • There is the potential for more growth and employment opportunities as the Rural Production zone provisions provide certainty and protection for the primary 	<p>have been provided in the urban zones, Rural Lifestyle, Rural Residential and Settlement zones for housing development.</p> <ul style="list-style-type: none"> • Reduction in employment opportunities in some locations (particularly in the Rural Production zone) due to provisions that constrain industrial and commercial activities. However, more appropriate zones for these types of activities i.e. Settlement, Mixed Use, Heavy and Light Industrial are more enabling than the current framework and are considered to offset this cost. 	
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<p>production sector, which encourages further investment and confidence in the sector. There may also be other opportunities in the Rural Lifestyle and Rural Residential zones where residential subdivision opportunities have increased.</p>		
<p><u>Effectiveness</u></p> <ul style="list-style-type: none"> • Provisions are designed to drive positive outcomes for the rural environment, will be more effective at achieving the objectives compared to the operative provisions and are better aligned with higher order documents. • Tailoring provisions and zones to target key areas where there are known issues is a more effective way of managing the rural environment than using a limited number of zones that include ‘one size fits all’ provisions that are not focused on the different issues and needs of the district. • Simplified rules are easier for the plan users to interpret and apply. 	<p><u>Efficiency</u></p> <ul style="list-style-type: none"> • Although the suite of provisions in the rural environment are new as a whole the content of the provisions should be familiar to plan users (e.g. bulk and location controls and enabling primary production activities) so they should be able to be understood and implemented efficiently. • Proposed provisions will help Council staff make more consistent decisions across the rural environment (which encompasses most of the district) which will also assist with maintaining plan integrity. 	
<p><u>Overall evaluation</u></p> <p>On balance this option is considered to be the most appropriate option to achieve the objectives because:</p> <ul style="list-style-type: none"> • It is considered that the economic benefits to the district of prioritising the primary production sector in the rural environment and preserving the most productive land in the district for current and future generations outweighs the individual lost opportunity costs of some landowners. • The proposed zone chapters respond to direction in both the National Planning Standards and the NRPS as they will efficiently manage land fragmentation, sterilisation and reverse sensitivity. • The provisions will enable and provide certainty for primary production activities in the rural environment, which is a main economic contributor to the district. This will further support investment in both activities and associated infrastructure to support the primary production sector. • Enables housing and commercial activities in the most appropriate parts of the rural environment (close to urban centres/settlements and key transport routes) and sets appropriate residential density levels to maintain rural character, manage reverse sensitivity effects and onsite infrastructure requirements • The policy framework addresses the key issues with the operative plan provisions, particularly with respect to the protection of highly productive land. 		

Option 3: Only use zones provided for in the national planning standards (Rural Production and Rural Lifestyle) – Rural Lifestyle zone would be applied to operative Rural Living and Coastal Living zoned land with Rural Production being applied to the balance of the rural environment.

Benefits	Costs	Risk of acting / not acting
<ul style="list-style-type: none"> • The use of Rural Production and Rural lifestyle zones are generally well understood by both Council staff and plan users. • Results in the protection of highly productive land. • The provisions identify those activities which have the potential to create reserve sensitivity effects and minimises the potential for these to occur. • Similar benefits to Option 2, except fewer benefits of housing choice using only one Rural Lifestyle zone and less protection for the established horticulture industry as per the costs column. <p><u>Economic growth and employment opportunities</u></p> <ul style="list-style-type: none"> • May have similar economic growth and employment opportunities to Option 2, however fewer opportunities for ancillary activities to establish in the Rural Production zone and fewer opportunities to develop residential activities in the Rural Lifestyle zone where it is contiguous with urban centres. 	<ul style="list-style-type: none"> • Would be difficult to fully give effect to the NRPS only using two zones. If the horticultural area around Kerikeri/Waipapa is not able to be protected using a specific zone or overlay, this is likely to result in more stringent rules being imposed across the Rural Production zone to ensure the horticultural industry is protected in every location. It would also result in a framework that proposed larger lifestyle lots in the peri urban environment as the Rural Lifestyle zone would be applied to the operative Coastal Living zones. • It would be difficult for the Rural Lifestyle zone to provide for the creation of smaller lots adjacent to the urban environment or for it to support the level of urban development that may be required in areas contiguous with an urban environment e.g. footpaths and streetlights. • Reduced housing supply potential compared to introducing a special purpose Rural Residential zone <p><u>Economic growth and employment opportunities</u></p> <ul style="list-style-type: none"> • Less economic growth and employment opportunities compared to Option 2 due to a highly restrictive rural production zone framework, and less enabling peri-urban framework. 	<ul style="list-style-type: none"> • There is limited risk of acting as the proposed provisions will give effect to the National Planning Standards and NRPS.

Effectiveness

- This is more effective than Option 1 but less effective than Option 2 as it is unable to provide provisions that are tailored to address specific location based issues and demands. In effect it would be trying to create a ‘one size fits all’ approach for both the Rural Production and Rural Lifestyle zones without being able to recognise areas of significant horticultural activity/investment or areas where smaller rural residential lots can be justified adjacent to urban centres and larger settlements.
- Without a zone that specifically provides for peri-urban development adjacent to urban centres and larger settlements, these areas may become fragmented into lot sizes that are difficult to transition to full urban zoning (i.e. 2-4ha lots).
- Neither the Rural Production or Rural Lifestyle zone provides an appropriate transition between the town and the productive rural environment.
- Simplified rules compared to Options 1 and 2 are easier for the plan users to interpret and apply.

Efficiency

- The provisions are likely to achieve the objectives, however it will be at a higher cost to the district compared to Option 2.

Overall evaluation

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

- It would overregulate areas of the Rural Production zone that can accommodate a wider range of non-primary production activities (albeit at a small scale, as per Option 2)
- Neither of the proposed rural zones provide for a transition zone between the productive rural environment and urban centres.
- The Rural Lifestyle zone alone would not meet the community demand for housing options in the rural environment.
- This approach would not integrate with the urban environment, which includes Rural Residential zoned land as contributing to housing supply.
- Not having a Rural Residential zone, would limit growth opportunities where there is limited infrastructure capacity in our urban centres which constrains infill development. The Rural Lifestyle zone would not meet this need.

9 Summary

An evaluation of the proposed objectives and provisions for the rural environment 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 achieve the purpose of the RMA and the provisions are the most appropriate way to achieve the objectives for the following reasons:

- The objectives of the Rural chapter give effect to Part 2 of the RMA and the policy direction contained in the relevant National Policy Statements and the Regional Policy Statement.
- The Rural chapters follow the zoning and definitions standards set out in the National Planning Standards.
- The Rural chapters introduce a revised regulatory framework for activities, which involves being specific about which activities are appropriate in each rural zone, to provide increased clarity and direction for plan users. This is a move away from the operative effects-based planning framework.
- Technical standards such as height, site coverage, and setbacks are generally being retained, but there is greater policy direction and emphasis on protecting highly productive land, and directing where rural lifestyle and rural residential development should occur.
- The Rural chapters are expected to result in better management of reverse sensitivity effects, integration with the urban environment and better protection of the primary production sector, which is an important economic contributor to the district and supports the well-being of rural communities.
- Research has been undertaken to understand the cost of a permissive rural environment planning framework and it has concluded that the combined zoning in the PDP (Rural Production, Horticulture, Rural Lifestyle, Rural Residential and Settlement) is the most appropriate method to manage rural sustainability by protecting the productive potential of the District, while still enabling other activities to occur in the rural environment, provided they are in the appropriate location and designed to a suitable scale.
- Landowners on properties in the Rural Production and Horticulture zones will have the confidence to invest in primary production activities which will have an economic benefit for the community, due to the creation of jobs. The zones will also support more landowners to undertake horticulture activities which generate a higher return than other farming activities.

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.

10 Appendices

10.1 Appendix 1: Rural Environment Economic Report