

APPENDIX 4: Extracts from Regional Policy Statement

will reduce the threatened status of many species, have benefits for water quality and quantity and contribute to Northland's economic, social and cultural wellbeing.

2.3 Economic potential and social wellbeing

Northland has not effectively and sustainably managed its natural and physical resources to fully realise its economic potential and social wellbeing. Limiting factors include:

- (a) Common natural resources not being used and allocated efficiently, particularly where there is significant demand;*
- (b) Subdivision, use and development, particularly residential development, that compromise either:
 - (i) existing and future productive activities and use of land; or*
 - (ii) regionally significant infrastructure;**
- (c) Regionally significant infrastructure not available or sufficient to support development and community needs;*
- (d) Poor security of energy supply;*
- (e) Degraded state and availability of natural resources;*
- (f) Regulation and compliance costs deterring investment; and*
- (g) Unjustified and inconsistent application of the Resource Management Act 1991 in district and regional plans.*

Issue 2.3 is addressed by the following objectives:

- | | |
|-----------------------------------------------------------------|---------------------------------------------|
| 3.1 Integrated catchment management | 3.8 Efficient and effective infrastructure |
| 3.5 Economic activities | 3.9 Security of energy supply |
| 3.6 Economic activities – reverse sensitivity and sterilisation | 3.10 Use and allocation of common resources |
| 3.7 Regionally significant infrastructure | 3.11 Regional form |

Explanation:

There are many reasons why Northland is not fully realising its economic potential and social wellbeing. The Regional Policy Statement covers only the factors that it has any real ability to influence, both now and in the future.

The quality of our natural environment and resource management decisions (like choices about land use, management of existing and future infrastructure, and use of natural resources like wind, coastal and freshwater, geothermal resources and minerals) influence the economic strength and prosperity of Northland and its contribution to the national economy.

Common natural resources, such as coastal water space and freshwater, are limited. It makes sense we make the 'best' use of these resources, especially where demand is high and the resource is important for Northland's economy.

There are also situations where the adverse effects of an activity may impact on an existing economic activity. For example, aquaculture relies on good water quality which can be impacted by animal effluent and inadequate sewage treatment.

The land is Northland's most significant economic asset and there is only so much of it. Subdivision, use and development, particularly residential, can have the effect of making it difficult for existing and future productive uses and infrastructure to operate (reverse sensitivity) or develop (sterilising the land). Productive activities include economic activities that use the soil and/or minerals in the ground (such as mining, farming and horticulture), those that use the space the land provides (like intensive farming, processing, manufacturing and oil refining) and other industrial and commercial uses.

Reverse sensitivity describes the effect that new use and development can have on existing activities in an area. It usually results from the people involved in a newly-established activity (such as residential development) complaining about the effects of existing activities (for example, noise, smells or agrichemical sprays from an established horticultural operator). This can have the effect of imposing economic burdens, or operational limitations, on the existing activities that can reduce their viability.

The sterilising of land for future productive uses from residential development occurs in two ways. Firstly, subdivision invariably increases the value of the land. Often this increases the value of the land to a point where it's uneconomical to use it in any other way, other than for residential purposes. Secondly, the more people living in an area, the more difficult it is to undertake new activities, especially where the effects are greater or different from the existing activity. Essentially, the more people live in an area, the less likely that the area can be used for any new productive purposes.

Regionally significant infrastructure is the infrastructure essential for the social and economic functioning of Northland. Northland also needs this type of infrastructure to attract investment and development opportunities as well as help complement and support Auckland and other regions.

Regionally significant infrastructure may include infrastructure such as:

- Significant utility services (water, energy, waste);
- Renewable electricity generation;
- Strategic communications facilities;
- Strategic transport networks;
- Major health care institutions including hospitals;
- Significant educational facilities; and
- Other infrastructure of importance to Northland.

The economic and natural resources to develop important infrastructure can however be limited. This means that Northland has not always been able to afford to build the infrastructure it needs or a limit is placed on where it is able to be located.

Generation and energy supply is critical for the economy and community wellbeing. The situation has improved considerably in the last 15 years with the geothermal generation from Ngāwhā and the Wairua Falls hydro scheme, however, Northland still generates a lot less electricity than we use. Most of our energy (electricity and natural gas) is transmitted through Auckland. If the transmission networks are damaged or their operation, maintenance upgrading and development is otherwise compromised as a result of inappropriate subdivision, use and development,

particularly residential development, it can impact on the electricity supply to Northland and affect the operations of nationally significant industries such as the Marsden Point oil refinery.

The state and availability of natural resources is relatively more important for Northland's economy than for many other regions in New Zealand. About 20% - 25% of Northland's Gross Domestic Product is derived either directly (farming, forestry, fishing and mining) or indirectly (the processing of these products and tourism) from the use of natural resources. For example, aquaculture and commercial shellfish gathering rely on good quality water.

Poor quality regulation and high compliance costs can act as a brake on business growth, investment and job creation. Councils need to be mindful of the impact of regulation on the economy – good quality regulation can be used to stimulate economic growth. The Ministry of Economic Development has identified that compliance costs can act as a brake on business growth.

Consistency in interpreting and implementing the law has been identified by government as a desirable yet problematic feature of any regulatory environment. Businesses require a reasonable degree of certainty to operate with confidence, especially when it comes to investing, but they also often want individually tailored approaches (that is, flexibility).

There are benefits, costs and risks associated with both consistency and flexibility. Variations in management approaches are more likely to be accepted if there is a clear justification for them. If the justification is not clear, then perceptions of fairness and equity are likely to suffer. Costs of compliance are not likely to be accepted, people are less likely to comply voluntarily and businesses may not be attracted. Variations that reflect local circumstances are likely to be legitimate; variations based on poor performance are not. Approaches that are effects-based, consistent, create a level playing field and can combine the best aspects of certainty and flexibility, such as performance standards, are most likely to be supported.

2.4 Regional form

Unplanned and un-coordinated development and poor urban design can lead to reduced levels of amenity, higher infrastructure costs, and reduced community wellbeing.

Issue 2.4 is addressed by the following objectives:

- 3.6 *Economic activities – reverse sensitivity and sterilisation* 3.11 *Regional form*
3.8 *Efficient and effective infrastructure*

Explanation:

Regional form is about the physical arrangement within and between urban and rural communities. Under the Resource Management Act 1991 (RMA), Northland's physical resources, including buildings and infrastructure, must be sustainably managed.

unemployment mean that small or medium-size investment can have significant positive impacts.

We need people and businesses to choose Northland as a place to invest, and our economic development needs to be aligned with environmental outcomes. Many economic activities rely on the character and quality of Northland's natural environment and similarly it is a major attraction for people, investors and businesses.

3.6 Economic activities – reverse sensitivity and sterilisation

The viability of land and activities important for Northland's economy is protected from the negative impacts of new subdivision, use and development, with particular emphasis on either:

- (a) Reverse sensitivity for existing:*
 - (i) Primary production activities;*
 - (ii) Industrial and commercial activities;*
 - (iii) Mining*; or*
 - (iv) Existing and planned regionally significant infrastructure; or*
- (b) Sterilisation of:*
 - (i) Land with regionally significant mineral resources; or*
 - (ii) Land which is likely to be used for regionally significant infrastructure.*

**Includes aggregates and other minerals.*

Objective 3.6 addresses the following issues:

2.3 *Infrastructure and economic activities* 2.4 *Regional form*

Objective 3.6 is achieved by the following policies:

5.1 *Regional form*

Explanation:

This objective recognises there are activities and land that should be protected from the negative impacts of subdivision, use and development because of their importance to Northland's economy.

The impacts councils can manage are those that come from incompatible development and land use, primarily reverse sensitivity and sterilisation (refer to Issue 2.3 for descriptions of reverse sensitivity and sterilisation).

The establishment of any sensitive activity in close proximity to the above mentioned activities, without appropriate mitigation, has the potential to cause reverse sensitivity effects. In Northland, the activities that are most likely to give rise to these effects are residential subdivision and development.

The focus is on protecting the *viability* of land and activities important for Northland's economy. Rather than absolute protection, it allows for some minor impediment or restriction (for example, noise or discharge restrictions) but not to the extent that it

would make the use of the land or activity unviable, or would substantively interfere with the continued operation of existing lawfully established activities at current levels.

Primary production, commercial and industrial activities, mining and infrastructure have been highlighted because of their particular contribution to the economy (actual and potential) and their sensitivity to the impacts of reverse sensitivity and sterilisation.

Primary production (such as dairy farming, horticulture, forestry, aquaculture and poultry farming) is the biggest contributor to Northland's economy. For rural landowners, subdivision is a 'double-edged sword'. On the one hand it provides an opportunity for rural landowners to make money. But on the other hand, subdivision can result in reverse sensitivity issues (that is, there are more people to complain about the noise, smells and sprays from primary production activities and place pressure on councils to change the rules to limit these activities).

Mining is particularly sensitive to the impacts of residential development and the establishment of other sensitive activities. It is also very important for the regional economy. Aggregates are a critical 'ingredient' for construction (such as roads and buildings), and the main cost of aggregates is transport. The more that can be sourced locally, the cheaper it will be for new construction. There are also direct economic benefits to Northland from the mining itself, such as jobs and the consumption of local goods and services. The objective focuses on land with regionally significant mineral resources, that is, it does not include land which may have regionally significant mineral resources (but have not been identified as such).

Regionally significant infrastructure is inherently important for the regional economy. Its development is generally very costly in terms of capital and in many cases routes or sites are secured years before the infrastructure is developed. Securing alternative sites for existing regionally significant infrastructure is extremely difficult. It is important that protection is afforded to proposed infrastructure sites as well as protecting existing regionally significant infrastructure from the effects of incompatible activities. Policies 3.7(a)(iv) and (b)(ii) are intended to apply to existing and planned regionally significant infrastructure. In this instance, planned means infrastructure that has been identified and provided for in a notice of requirement, designation, consent, a regional or district plan, the Northland Regional Land Transport Strategy or a document prepared using the special consultative process under the Local Government Act 2002.

3.7 Regionally significant infrastructure

Recognise and promote the benefits of regionally significant infrastructure, (a physical resource), which through its use of natural and physical resources can significantly enhance Northland's economic, cultural, environmental and social wellbeing.

Objective 3.7 addresses the following issues:

2.3 Infrastructure and economic activities

2.4 Regional form

2.6 Issues of Significance to Tangata Whenua
(natural and physical resources)

5 Policies and methods - Regional form and infrastructure

5.1 Regional form

The objectives relevant to policy and method package 5.1 are:

- | | |
|------------------------------------------------------------------------|---------------------------------------------------|
| 3.5 <i>Enabling economic wellbeing</i> | 3.8 <i>Efficient and effective infrastructure</i> |
| 3.6 <i>Economic activities – reverse sensitivity and sterilisation</i> | 3.11 <i>Regional form</i> |
| 3.7 <i>Regionally significant infrastructure</i> | |

5.1.1 Policy – Planned and coordinated development

Subdivision, use and development should be located, designed and built in a planned and co-ordinated manner which:

- (a) Is guided by the ‘Regional Form and Development Guidelines’ in Appendix 2;*
- (b) Is guided by the ‘Regional Urban Design Guidelines’ in Appendix 2 when it is urban in nature;*
- (c) Recognises and addresses potential cumulative effects of subdivision, use, and development, and is based on sufficient information to allow assessment of the potential long-term effects;*
- (d) Is integrated with the development, funding, implementation, and operation of transport, energy, water, waste, and other infrastructure;*
- (e) Should not result in incompatible land uses in close proximity and avoids the potential for reverse sensitivity;*
- (f) Ensures that plan changes and subdivision to / in a primary production zone, do not materially reduce the potential for soil-based primary production on land with highly versatile soils¹⁰, or if they do, the net public benefit exceeds the reduced potential for soil-based primary production activities; and*
- (g) Maintains or enhances the sense of place and character of the surrounding environment except where changes are anticipated by approved regional or district council growth strategies and / or district or regional plan provisions.*
- (h) Is or will be serviced by necessary infrastructure.*

Note: in determining the appropriateness of subdivision, use and development (including development in the coastal environment – see next policy), all policies and methods in the Regional Policy Statement must be considered, particularly policies relating to natural character, features and landscapes, heritage, natural hazards, indigenous ecosystems and fresh and coastal water quality.

Explanation:

This policy aims to create a framework for getting the right development in the right place at the right time. It is a strategic and pro-active policy, designed to give effect to section 30(1)(gb) of the Resource Management Act 1991 (RMA), which gives regional councils the function of strategically integrating infrastructure with land use. This policy gives effect to Objective 3.11 by ensuring there is a planned and co-

¹⁰ Highly versatile soils are Land Use Capability Classes 1c1, 2e1, 2w1, 2w2, 2s1, 3e1, 3e5, 3s1, 3s2, 3s4 - as mapped in the New Zealand Land Resource Inventory.

ordinated approach to developing the built environment that anticipates and addresses cumulative effects. Well-designed development also provides for the wellbeing of people and communities now and into the future.

5.1.1(f) applies to subdivision and plan changes on land with highly versatile soils in primary production zones. Proponents should clearly demonstrate that the benefits to the public (social, economic, environmental and cultural) arising from subdivision or a plan change and subsequent development are greater than the benefits that would have occurred from productive use of the land. If the public benefits of retaining land with highly versatile soil for primary production activities is equal to or greater than the public benefits that would be gained from a proposed development it is expected that the land in question will remain available for primary production.

Appendix 2 contains the Regional Form and Development Guidelines. They will help new development to achieve sustainable regional form. Some developments will be able to support certain aspects of the guidelines more than others and, in certain situations, some guidelines may need to be traded off against others. This aside, it is important that all guidelines are appropriately considered when councils are managing development.

The Regional Form and Development Guidelines apply to development in urban and rural areas. While it is recognised that some aspects of the guidelines may not be appropriate considerations in a rural setting, the majority of guidelines should be considered when undertaking rural development.

The Regional Urban Design Guidelines are intended to apply to the region's urban¹¹ areas. However, in some cases developers may benefit from applying portions of the guidelines to rural developments.

It is also critical that infrastructure considerations are effectively integrated with plans for development. There are many advantages of planning in this way including:

- Creating more vibrant communities by recognising the role infrastructure plays in economic, social and cultural wellbeing by ensuring infrastructure is in the right place at the right time;
- Avoiding constraints on the use and development of infrastructure;
- Avoiding costly and untimely / unplanned upgrading of infrastructure; and
- Avoiding adverse environmental effects caused by a lack of infrastructure.

The Regional Urban Design Guidelines in Appendix 2 are adapted from the design qualities described in the New Zealand Urban Design Protocol. The guidelines seek to ensure that developments consider the following design elements:

- Context;
- Character;
- Choice;
- Connections;
- Creativity;

¹¹ For the purpose of Regional Form 'urban' means all land zoned for mixed-use, commercial, industrial use and all zones where the primary purpose is residential use.

Land use conflicts and adverse cultural and environmental effects (such as deterioration of coastal water quality) will increase if land use planning in the coastal environment does not evolve to keep up with the demand for subdivision and development. Consequently, this policy includes requirements for subdivision and development in the coastal environment over and above the regional guidelines in Appendix 2. Having this policy direction in the RPS will result in less ad-hoc development within the coastal environment and maintain existing amenity values, ensuring that the special qualities of the coastal environment are not degraded.

5.1.3 Policy – Avoiding the adverse effects of new use(s) and development

Avoid the adverse effects, including reverse sensitivity effects of new subdivision, use and development, particularly residential development on the following:

- (a) Primary production activities in primary production zones (including within the coastal marine area);*
- (b) Commercial and industrial activities in commercial and industrial zones;*
- (c) The operation, maintenance or upgrading of existing or planned¹³ regionally significant infrastructure¹⁴; and*
- (d) The use and development of regionally significant mineral resources¹⁵.*

Explanation:

This policy recognises that there are certain activities and land (zones) that should be protected from the adverse effects of new subdivision, use and development because of their importance to Northland's economy. Essentially, the only impacts that councils can manage are those from incompatible subdivision, development and land use. Consequently, this policy only applies to avoiding the adverse effects of new subdivision and development on already established land uses and activities. In line with Objective 3.6 (viability of important economic activities), avoidance is the appropriate standard because any lesser requirement would not achieve the related objective. This policy gives district councils the flexibility to re-zone primary production land for other uses (like residential) and therefore this policy would not apply to the new zoning.

Land is arguably Northland's most significant economic asset because of the primary production sector (forestry, dairying, horticulture) along with the actual and potential value of mineral and renewable energy resources. Northland only has a finite amount of land. Inappropriately located new residential subdivision and other types of development have the potential to constrain existing productive uses of land. This is widely known as reverse sensitivity.

¹³ In this instance, planned means the infrastructure has been identified and provided for in a; notice of requirement designation, resource consent, a regional or district plan, the Northland Regional Land Transport Strategy or a document prepared using the special consultative process under the Local Government Act 2002.

¹⁴ See also Policy 5.3.1.

¹⁵ See also Policy 5.1.4.

5.1.4 Policy – Regionally significant mineral resources

Mineral resources will be considered regionally significant, based on one or more of the following:

- (a) Relative scarcity;*
- (b) Current or potential contribution to the regional economy from the extraction;*
- (c) Current and potential demand, and location with respect to demand;*
- (d) Constraints on extraction including existing or planned settlement and access to the site;*
- (e) Constraints on other development and land use as a result of extraction;*
- (f) Quality and size of deposit;*
- (g) Average annual extraction rate of minerals (more than 50,000 tonnes per annum for aggregates)¹⁶; and*
- (h) Importance to infrastructure development.*

Explanation:

This policy sets out the factors to be considered when determining whether a mineral resource is significant. This is then implemented through Method 5.1.5(2)(a) requiring district plan maps to show regionally significant mineral resources where the existing extraction rates are known or where the mineral resources have been identified and mapped by the regional council (Method 5.1.6).

5.1.5 Method – Statutory plans and strategies

(1) The regional and district councils shall:

- (a) Give effect to Policy 5.1.1 (a) and (c)-(g) when developing objectives, policies, and methods / rules for plans and when assessing resource consent applications and plan changes;*
- (b) Give effect to Policy 5.1.1(b) when considering notices of requirement and resource consent applications in the following centres:
 - (i) Mangawhai, Dargaville, Waipū, Whāngārei city, Ruakākā / Marsden Point, Pārua Bay, Paihia, Kerikeri / Waipapa, Kaikohe, and Kaitāia;**
- (c) Give effect to Policy 5.1.1(b) when changing, varying, or replacing regional or district plans;*
- (d) Give effect to Policies 5.1.2 and 5.1.3 through objectives, policies, and methods / rules in regional and district plans and when assessing resource consent applications ; and*
- (e) Give effect to Policy 5.1.3 by requiring consultation with relevant infrastructure providers and owners of regionally significant mineral resources when proposed subdivision, land use or development may have an adverse effect on the operation, maintenance or upgrade of regionally significant infrastructure or on the regionally significant mineral resources.*

¹⁶ *Strategies for the uptake and application of airborne geophysical survey data in Northland.* GNS Science, August 2011.

Note: Method 5.1.5(1)(d) and (e) implements regional council obligations under Policy H1 of the National Policy Statement for Renewable Electricity Generation. Therefore, pursuant to Policy H2(b) of that national policy statement, the regional and district councils shall notify a plan change to their plans to give effect to these methods, to the extent that they relate to renewable electricity generation, within 12 months of the Regional Policy Statement becoming operative. Method 5.1.5(1)(d) and (e) also implements regional council obligations under the 2008 National Policy Statement on Electricity Transmission.

(2) *The district councils shall:*

- (a) Show regionally significant mineral resources in accordance with Policy 5.1.4, in district plan maps, where the existing extraction rates are known, or once the mineral resources are identified by the regional council;*
- (b) Consider applying the Regional Urban Design Guidelines in Appendix 2 to resource consent applications and notices of requirement in locations outside of those already identified in Method 5.1.5(1)(b); and*
- (c) Consider spatially mapping the extent of coastal settlements to give effect to Policy 5.1.2.*

(3) *The regional council will identify surf breaks of national significance, and consider identifying surf breaks of regional significance, in the relevant regional plan.*

Explanation:

Method 5.1.5(1)(a) directs the regional and district councils to take into account Policy 5.1.1 (particularly the Regional Form and Development Guidelines in Appendix 2) when developing plan provisions and when assessing resource consent applications and plan changes. It is anticipated that this policy / method package will proactively shape development in Northland by ensuring that the right development occurs in the right place with adequate infrastructure.

Method 5.1.5(1)(b) directs the regional and district councils to implement Policy 5.1.1(b) at the notice of requirement or resource consent stage in certain larger urban areas. The intention of this policy and method package is to improve the form of Northland's built environment.

Method 5.1.5(1)(c) directs the regional and district councils to implement Policy 5.1.1(b) at the plan development stage in all areas of Northland.

Method 5.1.5(1)(d) directs councils to develop plan provisions that give effect to Policy 5.1.2 (coastal environment). There is a degree of flexibility in how future plan provisions may look but they will be required to 'give effect' to Policy 5.1.2. It also directs councils to implement Policy 5.1.3, to ensure that adverse effects (particularly reverse sensitivity effects) of new subdivision, use and development (particularly residential development) are avoided in certain zones. As mentioned in the policy, these zones have been singled out because of their actual and potential contribution to Northland's economy.

Method 5.1.5(1)(e) is in response to concerns that sometimes regionally significant infrastructure providers can be ignored as a potentially adversely affected party. The responsibility for consulting infrastructure providers when a development may affect regionally significant infrastructure lies in the first instance with the applicant.

Additionally, where the application is publicly notified, it is anticipated that infrastructure providers will be considered affected parties.

Method 5.1.5(2)(a) will help to ensure that regionally significant mineral resources will not be sterilised by the adverse effects of development such as residential subdivision and development. Once these resources become embedded in planning maps, all users of the district plans will be aware of their locations and will be able to plan future developments accordingly.

Method 5.1.5(2)(b) gives district councils discretion to consider applying the Regional Urban Design Guidelines to resource consent applications outside of those settlements listed in Method 5.1.5(1)(b). They will have discretion on a case-by-case basis to consider applying the guidelines depending on the scale of the development proposed.

Method 5.1.5(2)(c) gives the district councils discretion to consider spatial mapping of the extent of coastal settlements. This should help to determine the 'appropriateness' of development in the coastal environment (allowing councils, developers and the public to easily ascertain whether the new development is within the mapped extent of the coastal settlement or not).

Method 5.1.5(3) recognises Policy 16 of the New Zealand Coastal Policy Statement 2010 (NZCPS) regarding protection of the surf breaks of national significance that are listed for Northland in the NZCPS and further, the potential for other surf breaks of regional significance to be considered for protection.

5.1.6 Method – Monitoring and information gathering

The regional council will work with relevant stakeholders to identify and map the location of regionally significant mineral resources, applying Policy 5.1.4.

Explanation:

Many existing mineral deposits and extraction activities may be recognised as regionally significant through Policy 5.1.4. Additionally, the mineral survey for Northland (funded by the Ministry for Economic Development, the regional council, and the Far North District Council) provides an indication of where mineral resources are located throughout the region. A clearer picture may emerge in the future that allows us to refine our understanding and map additional mineral resources, based on the criteria in Policy 5.1.4

When identifying regionally significant mineral resources the regional council will collaborate with relevant stakeholders, which may include district councils, iwi, Ministry for Economic Development, owners of mineral resources or other relevant parties.

5.1.7 Method – Non-statutory plans and strategies

The regional and district councils should consider Policy 5.1.1, Policy 5.1.2 and Policy 5.1.3 when developing growth strategies, spatial plans, structure plans and other non-statutory planning documents.

Explanation:

This method of implementation gives the regional and district councils the discretion to decide if they want to consider Policies 5.1.1, 5.1.2 and 5.1.3 when developing non-statutory planning documents.

5.1.8 Method – Advocacy and education

The regional council will promote the inclusion of information about the effects emitting from regionally significant infrastructure and regionally significant mineral resources on Land Information Memorandum reports for neighbouring parcels of land.

Explanation:

The regional council will encourage the district councils to consider including adverse effects arising from regionally significant infrastructure and regional significant mineral resources on land information memorandum reports. This method may not be appropriate in all cases; however, it may be effective where the regionally significant infrastructure or mineral resource is easily identifiable and the effects are known and can be readily quantified. This method implements Policy 5.1.3.