

Plan Change 85B: Strategic Rural Industries Environment

Section 32 Evaluation Report

Prior to Notification Part 4

This is **Part 4** of the section 32 (s32) evaluation reports for the Rural Plan Changes. This part should be read in conjunction with the other **Parts 1 – 9**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Rural Area (RA) objectives, policies and performance standards are evaluated in terms of s32 within **Part 2**.

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1. Introduction

1.1 Overview and background

1. This is **Part 4** of the section 32 (s32) evaluation reports for the Rural Plan Changes. This part should be read in conjunction with the other **Parts 1 – 9**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Rural Area (RA) objectives, policies and performance standards are evaluated in terms of s32 within **Part 2**.

1.2 The proposed plan change

2. Plan Change 85B (PC85B) – Strategic Rural Industries Environment (SRIE) seeks to introduce a new Environment (zone) into the Whangarei District Plan (WDP). The SRIE proposes to delete the existing WDP Scheduled Activities 14, 15 and 16 will include:
 - New SRIE chapter – with objectives, policies and rules for the SRIE, including land use and subdivision provisions.
 - Changes to the WDP Environment maps to denote the SRIE, and deletion of the relevant Scheduled Activity Maps.
 - Consequential changes to the WDP including the deletion of Scheduled Activity provisions, 14, 15 and 16 in Chapter 47.
 - Consequential changes to the Noise and Vibration Chapter – including the introduction of a noise contour and buffer for sensitive activities.
3. PC85B includes a description of the proposed SRIE to identify the environmental expectations and outcomes sought through the proposed objectives and policies.

1.3 Existing Environment

Golden Bay Cement Portland

4. Golden Bay Cement (GBC) is an operating division of Fletcher Concrete and Infrastructure Ltd. GBC is the largest cement manufacturer in New Zealand. GBC is the owner of a substantial areas of land at Portland, including areas immediately adjacent to the coast as well as further inland. Its operations also stretch into the coastal marine area with a wharf structure used to load cement onto Golden Bay's own vessel for transportation to Auckland GBC has an established buffer around the cement factory and quarry by way of farmland both in GBC ownership (leased) and private (Portland Farms).
5. GBC's operations in Whangarei include two quarries and a cement manufacturing plant. Nationally, GBC also operates a Microsilica deposit, a bulk storage facility in Auckland and six other GBC distribution centres. The Portland Cement Plant has been based in Whangarei for 97 years. Following a major upgrade in 2005-6, the plant has a current annual manufacturing capacity of 1 million tonnes, and supplies the majority of New Zealand's domestic cement market.

6. GBC land includes land zoned Living 3 Environment , Countryside Environment (CE), Coastal Countryside Environment (CCE), Business 4 Environment, Mineral Extraction Area (MEA) and Portland Overlay Area/Scheduled Site 14. The MEA covers all of that area assessed to contain future limestone resource on the quarry site and the rules of the MEA influence land use beyond that area shown on the planning maps (with residential dwellings within 500 m of the MEA boundary requiring discretionary activity consent). The Portland Overlay Area/Scheduled Site 14 allows for large built structures and the conveyor necessary to support the limestone extraction and cement manufacturing operations.

Fonterra Milk Processing Site at Kauri

7. Fonterra has regionally significant assets and operational interests in the Whangarei district, specifically the Kauri Milk Processing Site (Kauri site) which makes a significant contribution to the local and regional economy. At the Kauri site, Fonterra processes up to 3 million litres of milk per day during the peak into whole milk powder, skim milk powder, speciality powders, butter, anhydrous milk fat (AMF) and speciality milk fat products. Milk processed at this site can be collected from any Fonterra supplier farm north of Auckland.
8. The Kauri site is located on State Highway 1, occupying some 50ha of land, approximately ten kilometres north of the Whangarei City. Approximately 430 people are employed at the site. Three irrigation farms (Kauri, Hikurangi and Jordan Valley) form part of the Kauri site's wastewater system. Typical farming activities such as dairying and dry stock form the underlying land use across these farms.
9. The Kauri site is currently zoned Business 4, with Scheduled Activity Overlay 15 providing specific provisions for the operation of the factory.
10. The surrounding environment comprises mainly of lifestyle/farming activities. The nearest residential units are to the west and southeast of the site. Kaurihohore School is over 1km away to the west, and Glenbervie Forest is located approximately 1km northeast of the Kauri site.

Croft Timber Poles

11. Croft Timber Poles is a large timber processing plant situated in close proximity to the Fonterra Milk Processing Plant in Kauri. The activity is centrally located within an industrial area comprising of approximately 20ha of land area which is currently zoned Business 4 and Business 2, within Scheduled Activity Overlay 16 affording an exemption to the height limit.

2. Summary of resource management issues for Strategic Rural Industries Environment

2.1 Sustainable management of the Rural Land Resources

12. The long-term use of the district's finite rural land resource for productive land use activities is subject to a number of competing demands. The priority of these competing demands has been directed by the strategic approach adopted by Whangarei District Council, seeking to consolidate urban and business development within Whangarei City and Ruakaka, and promote productive uses of rural land (supported in Whangarei District Growth Strategy Sustainable Futures 30/50

(30/50) and the Rural Development Strategy (RDS)). Use of rural land for business activities can result in increased competition for land and loss of productive land.

13. Achieving the sustainable management of the rural land resource for productive uses is directly dependent upon rural land continuing to be used and available. Background research undertaken for the RDS and community feedback confirms that fragmentation of rural land is an issue. Fragmentation of rural land is a significant concern as, left unchecked, it risks adversely impacting on the sustainable management of the resource and the rural economy.
14. The district plan approach must have particular regard to the finite nature of the resource (s7 (g)) and the efficient use and development of natural and physical resources (s7 (b)), in order to manage this resource in accordance with Council's duties under the Resource Management Act 1991(RMA). An explicit planning response is required given background research which demonstrates that unproductive fragmentation of the rural resource is occurring. Maintaining the present provisions has the effect of diminishing the potentially productive use of the district's rural land resource.

2.2 Maintenance and enhancement of rural character and amenity

15. Proliferation of Business activities can adversely impact on rural character, the landscape and amenity of the rural environment. The rural environment contributes to the quality and amenity of the district and is a unique backdrop to the urbanised Whangarei city. Non-rural development can potentially impact on rural character and the amenity qualities of the rural land resource. Large scale industry activities, that need to be located within the rural environment do have effects on rural amenity and character. These industrial activities can generate effects such as noise, odour, vibration, traffic, light spill and visual effects on the amenity of the rural environment.

Summary

16. In order to manage the rural land resource in accordance with Council's duties under the RMA, the WDP policy needs to have particular regard to the maintenance and enhancement of amenity values (s7(c)), provide for the protection of ecosystems (s7(d)) and the maintenance and enhancement of the quality of the environment (s7(f)).

2.3 Reverse sensitivity and land use conflicts

17. The Council recognises the importance of existing large scale industry for the rural, district and regional economies. There is potential for land use conflict to occur between these industries and surrounding rural activities, particularly sensitive activities. Land use conflicts can also arise in terms of new residential, rural residential, or rural living development being established adjacent to or in proximity of established strategic rural industry activities resulting in reverse sensitivity effects.
18. To allow the rural land resource to be used effectively and efficiently and to support the significant contribution to the district's economic and social well-being, specific controls and protections may be necessary to manage the potential for reverse sensitivity effects. However,

balance is required as residents should not be expected to accept nuisances or health hazards arising from poor management practices.

Summary

19. In order to manage the rural land resource in accordance with Council's duties under the RMA the WDP needs to have more particular regard to the finite nature of the resource (s7(g)).

2.4 Economic wellbeing

20. Sustainable management of rural natural and physical resources must enable the economic wellbeing of the community. Several large established industries are located in the rural environment, providing significant contribution to the district's economy including employment. Provisions must provide for the on-going operation, maintenance and expansion of these activities while providing for the appropriate location of new rural industry at a rate that results in sustainable management of rural resources.

Summary

21. In order to manage the rural land resource in accordance with Council's duties under the RMA, the WDP needs to have particular regard to the efficient use and development of natural and physical resources (7(b)).

3. Northland Regional Policy Statement 2016 (RPS)

22. The key matters of relevance in the RPS to SRIE is the direction for regional form and economic wellbeing. The RPS contains an issue stating that Northland has not effectively and sustainably managed its natural and physical resources to fully realise economic potential and social wellbeing is a RPS issue (2.3). Limiting factors are listed; of particular relevance to SRIE is 2.3(f) "regulation and compliance costs deterring investment". SRIE proposes to allow for the ongoing investment in Strategic Rural Industries, through tailored provisions.
23. RPS policy provides direction with regard to Regional Form. Policy 5.1.3 seeks to avoid the adverse effects, including reverse sensitivity of new subdivision, use and development, particularly residential development on commercial and industrial activities in commercial and industrial zones. The proposed SRIE implements this policy by providing for a specific industrial Environment which reduces potential land use incompatibility.

4. Proposed Strategic Rural Industries Environment

4.1 Overview

24. The RDS reviewed the WDP rural zoning, concluding that it would be appropriate to differentiate between Business Environments specifically zoned in an urban context to provide for business and industry activities from zones providing specifically for rural industry in the rural environment. In response, PC85C proposes to create the Rural Village Industry Sub-Environment and PC85B proposes to create the SRIE.

25. The main objective of the SRIE is to recognise and provide for the retention and managed expansion of established industries of strategic significance located in the rural environment. The SRIE seeks to rezone two locations in particular that have existing rural industry both currently operating under Business 4 Environment with site specific provisions contained in individual scheduled activities. Proposed expectations and outcomes for the SRIE are in SRIE.1.1 Description and Expectations.
26. To achieve the objectives of the SRIE, the following criteria have been used to identify locations suitable to be rezoned SRIE:
- Recognise and provide for the retention of established industries of strategic significance located in the rural environment.
 - Provide for industries that require a rural location due to specific operational requirements including:
 - High infrastructure demands.
 - Proximity to resources such as minerals and transport links.
 - Availability of suitable land for operational use.
 - Provide for rural industry that is significant as a result of the essential employment and services provided to the district.
 - Provide for rural industry that produces products contributing to the economy at a scale that is of regional or national importance.
 - Provide for rural industry that while not itself regionally or nationally strategic is situated in close proximity to a Strategic Rural Industry.
 - Establish zone boundaries following physical constraints or legal site boundaries.
 - Avoid areas of ONL, ONF, SNA and significant natural hazards.
27. Golden Bay Cement Portland, Fonterra Milk Processing Site at Kauri and Croft Timber Poles meet these criteria.

4.2 Section 32 analysis

28. S32(1)(a) requires Council to examine the extent to which the proposed objectives are the most appropriate way to achieve the purpose of the RMA. PC85B has been prepared in direct response to the need to recognise and protect large scale industry within the rural environment. There are limited zone specific objectives in the WDP therefore proposed new objectives are considered appropriate to respond to resource management issues. PC85B proposes the following objectives:

TABLE 1: REASON FOR PROPOSED STRATEGIC RURAL INDUSTRY ENVIRONMENT OBJECTIVES	
Proposed SRIE Objective	Reason/Issue
SRIE.1.2.1 Recognise the contribution of established Strategic Rural Industries to the vitality and economic viability of the district.	Several large well established industries are located within the rural environment. The RDS recognises that these industries contribute significantly to the district's economy. Proposed objective SRIE.1.2.1 seeks to acknowledge this importance.
SRIE.1.2.2 Provide for the establishment and operation of Strategic Rural Industries in appropriate locations within rural areas of the district.	The RDS has concluded that non-rural land use activities are sprawling across the rural environment as a result of permissive zone provisions in the WDP. 30/50 seeks to consolidate residential and business development to urban areas. Direction of land uses to the appropriate locations is therefore sought by proposed objective SRIE.1.2.2.
SRIE.1.2.3 Promote the adoption of a more flexible and targeted management framework for existing and or prospective Strategic Rural Industries.	It is recognized that industries large enough to fit the Strategic Rural Industry criteria will be managed at a strict level. Proposed objective SRIE.1.2.3 seeks to provide flexibility for industry to operate without unnecessary constraints from Council.
SRIE.1.2.4 Maintain rural amenity and minimise land use conflicts and reverse sensitivity effects associated with Strategic Rural Industries.	Land use conflicts and reverse sensitivity effects were issues raised in the RDS. Policy 5.1.3 of the RPS sets direction as to the avoidance of adverse effects including reverse sensitivity.

4.1 Appropriateness in terms of purpose of the RMA

29. Council must evaluate in accordance with s32 of the RMA, the extent to which each objective proposed in PC85B is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed objectives, the objectives, they are evaluated for consistency with the purpose of the RMA and with existing higher order provisions of the WDP.
30. Part 2 of the Act outlines the purpose and principles of the RMA. The following table demonstrates that the proposed SRIE objectives achieve the purpose of the RMA. Many sections within Part 2 of the RMA are not relevant to PC85B or are specifically addressed by the Resource Area provisions within the WDP. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken as part of the draft plan change process and no matters have been identified that would indicate that PC85B is inconsistent with s8.

		TABLE 2: EVALUATION OF PROPOSED SRIE OBJECTIVES AGAINST PART 2 OF THE RMA			
		Proposed Strategic Rural Industry Environment Objectives			
		SRIE.1.2.1	SRIE.1.2.2	SRIE.1.2.3	SRIE.1.2.4
Resource Management Act Part 2 Sections	5(2)(a)	√	√	√	√
	5(2)(b)		√		
	5(2)(c)		√		√
	7(b)	√	√	√	√
	7(c)		√		√
	7(f)		√		√

31. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the Act and promote the sustainable management of natural and physical resources.

4.2 Appropriateness in relation to higher order documents:

32. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC85B. Of particular relevance to PC85B are the New Zealand Coastal Policy Statement (NZCPS), Northland Regional Policy Statement (RPS), Long Term Plan 2015 – 2025 (LTP), Whangarei District Growth Strategy Sustainable Futures 30/50 (30/50), Rural Development Strategy (RDS) and the Urban Growth Strategy (UGS). Part 1 of this report provides a comprehensive evaluation of the consistency of PC85B in relation to relevant higher order documents. However, the following table provides an overview of the proposed SRIE objectives’ links to the more relevant higher order documents.

		TABLE 3: EVALUATION OF PROPOSED SRIE OBJECTIVES AGAINST RELEVANT HIGHER ORDER DOCUMENTS			
		Proposed SRIE Objectives			
		SRIE.1.2.1	SRIE.1.2.2	SRIE.1.2.3	SRIE.1.2.4
Relevant Higher Order Document	NZCPS	√	√		
	RPS	√	√		√
	LTP	√			
	30/50	√	√		√
	RDS	√	√	√	√
	UGS	√	√	√	√

4.3 Appropriateness in relation to the WDP

33. The proposed SRIE objectives are subservient to the higher order District Wide objectives set out in Part C of the WDP. The proposed SRIE objectives do not alter or diverge from the outcomes sought by the higher order objectives, which being settled are considered to achieve the purpose of the RMA. Instead the proposed objectives supplement and provide further specific details in relation to the outcomes sought in *this particular* Environment as envisaged by the regulatory methods set out in the District Wide Chapters.

34. Using the rationale set out on the Long Bay decision¹ the proposed SRIE objectives need to be examined as to whether they are the most appropriate way to achieve the purpose of the settled higher order objectives. The proposed objectives directly relate to, and are therefore considered to be the most appropriate way of achieving the following Anticipated Environmental Results identified in the WDP²:

¹ Long Bay-Okura Great Park Society Inc v North Shore City Council (A078/08)

² Refer Amenity Chapter 5, Built Form and Development Chapter 6 and Subdivision & Development Chapter 8

TABLE 4: ACHIEVEMENT OF WDP ANTICIPATED ENVIRONMENTAL RESULTS	
Relevant Anticipated Environmental Results in the WDP	Proposed SRIE Objectives
Land use and development is consistent with the preservation and/or enhancement of amenity values appropriate to each particular Environment.	SRIE.1.2.2 and SRIE.1.2.4
Conflict between incompatible activities in regard to amenity values (particularly on Environment boundaries) is avoided, remedied or mitigated.	SRIE.1.2.2 and SRIE.1.2.4
Avoidance of reverse sensitivity effects and appropriate separation of incompatible land uses.	SRIE.1.2.2 and SRIE.1.2.4
Avoidance of loss of productive farmland.	SRIE.1.2.2
A pattern of land use and development complementary to the character of the locality, whilst at the same time avoiding conflicts between incompatible land use activities.	SRIE.1.2.2 and SRIE.1.2.4
The avoidance of subdivision and development in areas of high risk from noise levels and from natural hazards.	SRIE.1.2.2 and SRIE.1.2.4
The protection of the district's versatile soils, water quality, natural features, landscapes, open spaces, significant ecological areas, biodiversity, public access to coast, lakes and rivers, heritage, cultural and amenity values from inappropriate subdivision and development.	SRIE.1.2.2
Agglomeration of industry and business activity.	SRIE.1.2.2
Efficient use and development of existing and new industry and business.	SRIE.1.2.1, SRIE.1.2.2, SRIE.1.2.3 and SRIE.1.2.4.

35. SRIE.1.2 sets out only those objectives that are specific to the SRIE. However, there are a number of higher level District Wide objectives and policies that are equally relevant to this Environment. The policies and methods set out within the SRIE Chapter seek to achieve the objectives of both the SRIE and many of the District Wide objectives.
36. The overarching RA objectives and policies and their links to the proposed SRIE objectives, policies and methods are shown in the table below. This table illustrates that the proposed SRIE objectives are effectively linked to the overall objectives and policies of the RA, which in turn has been assessed as being consistent with the existing objectives and policies of the WDP (refer to Part 2 of the s32).

TABLE 5: LINKING BETWEEN RA AND SRIE PROVISIONS		
Proposed Rural Area Objective	Proposed Rural Area Policy	Proposed SRIE Objective
RA.1.2.1 Protect productive functions	RA.1.3.2, 1.3.3, 1.3.10 and 1.3.11	SRIE.1.2.2
RA.1.2.2 Avoid, remedy, mitigate reverse sensitivity	RA.1.3.4, 1.3.9, 1.3.10 and 1.3.11	SRIE.1.2.4
RA.1.2.3 Avoid cumulative impacts/unplanned development	RA.1.3.2, 1.3.3, 1.3.5, 1.3.6 1.3.8 and 1.3.10	SRIE.1.2.2
RA.1.2.4 Avoid hazards	RA.1.3.7	SRIE.1.2.2
RA.1.2.5 Recognise amenity values and character	RA.1.3.1, 1.3.2, 1.3.3, 1.3.4, 1.3.5, 1.3.6,1.3.9 and 1.3.10	SRIE.1.2.4
RA.1.2.8 Provide range of land uses	RA.1.3.1, 1.3.2, 1.3.3, 1.3.4, 1.3.5, 1.3.6, 1.3.9, 1.3.10 and 1.3.11	SRIE.1.2.2

4.4 Effectiveness and efficiency of proposed policies and methods

37. S32 assessments must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives. This includes the identification of alternatives, and cost

benefit analysis of the economic, social, environmental and cultural effects of the provisions including whether opportunities for economic growth and employment are reduced or increased. The risk of acting or not acting where uncertain or insufficient information exists must also be considered.

38. It is considered that the level of analysis undertaken in this report is appropriate to the scale of the proposal. It was not considered practicable to quantify the costs and benefits of the proposal.

Evaluation of the mapping of the SRIE

39. Alternative ways address the resource management issues for the rural environment were considered in the RDS. Creating the SRIE with targeted objectives was considered in the RDS to be the most appropriate way to achieve the purpose of the RMA. Spatial mapping is one method of achieving the objectives of the SRIE. Spatial mapping identifies where provisions do and don't apply. In accordance with s32, options must be considered to determine the most appropriate way to achieve the SRIE objectives including the identification of other reasonably practicable options.

40. Reasonably practicable options for identifying the spatial location of the SRIE are:

Option 1: Status Quo – Retain the current mix of zoning and Scheduled Activities.

Option 2: Map using the SIRE criteria and the spatial extent of Business 4 Environments and Scheduled Activity boundaries. (Plan change option).

Option 3: Map based upon the suitability of land for the purpose of SRIE's.

41. Evaluation of these alternative options have been summarised in the table below:

TABLE 6: SUMMARY OF EVALUATION OF THE MAPPING OF THE SRIE OPTIONS		
	Costs	Benefits
Option 1: Status Quo: Retain the current mix of zoning and Scheduled Activities.	<u>Environmental</u> Lack of targeted objectives and policies can result in ad-hoc development. <u>Economic</u> Complex WDP and consent regime. <u>Social</u> WDP users have to look in multiple places for potential provisions relevant to strategic rural industries. <u>Cultural</u> None identified.	<u>Environmental</u> Unencumbered operation of strategic industries. <u>Economic</u> Avoids the necessity to undertake expensive testing to support complicated mapping exercises (of Option 3). <u>Social</u> None identified. <u>Cultural</u> None identified.
Option 2: Map using the SRIE criteria and spatial extend of Scheduled Activities boundaries. (Plan change option).	<u>Environmental</u> Lack of detailed mapping at a close scale may result in a level of implementation difficulty. <u>Economic</u> Costs associated with mapping. <u>Social</u> None identified. <u>Cultural</u> None identified.	<u>Environmental</u> Achieves the outcomes of the RDS. Implements the consolidated growth pattern of 30/50. <u>Economic</u> Avoids the necessity to undertake expensive testing to support complicated mapping exercises (of Option 3). <u>Social</u> None identified.

		<u>Cultural</u> None identified.
Option 3: Map the SRIE based upon the suitability of land for the purpose of SRIEs.	<u>Environmental</u> None identified. <u>Economic</u> Significant costs associated with identifying and mapping the spatial extent. In the absence of technical information costs may be transferred to applicants resulting in additional consenting requirements and costs. Costs associated mapping. <u>Social</u> None identified. <u>Cultural</u> None identified.	<u>Environmental</u> Implements the coastal environment of the RPS. Reduces the potential for incompatible land use conflicts. Detailed mapping at a close scale will avoid inconsistencies and implementation issues. <u>Economic</u> None identified. <u>Social</u> None identified. <u>Cultural</u> None identified.
Economic Growth and Employment Opportunities		
All options have a low impact in terms of economic growth and employment. Spatial mapping and locations for the zone control what provisions apply. If the spatial extent of zoning is unclear or incorrect then inappropriate rules will apply. Zoning has the potential to result in considerable consenting cost to landowners and developers.		
The efficiency and effectiveness of provisions (Section 32 (2))		
Option 1 is not efficient as it results in a complex WDP. Option 2 is considered to be effective and efficient in achieving the SRIE objectives. As a result of the cost associated with identifying and mapping the spatial extent of SRIE, option 3 is considered to be inefficient.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no risk due to insufficient information to precede with options 1 and 2. Detailed information is required for option 3; therefore it is considered there would be a risk of acting.		

42. Option 2 is considered to be the most effective and effective method to achieve the SRIE objectives.

Evaluation of provisions options

43. The following table demonstrates that the policies proposed for the SRIE implement the SRIE objectives, and that the methods (provisions) proposed for the SRIE implement the proposed policies the SRIE.

TABLE 6: LINKING OF SRIE PROVISIONS		
Proposed SRIE Objective	Proposed SRIE Policy	Proposed SRIE Method
SRIE.1.2.1 Recognise the contribution of established Strategic Rural Industries to the vitality and economic viability of the district.	SRIE.1.3.1 and SRIE.1.3.2	SRIE.2.3, SRIE.2.4 and SRIE.2.5
SRIE.1.2.2 Provide for the establishment and operation of Strategic Rural Industries in appropriate locations within rural areas of the district.	SRIE.1.3.1, SRIE.1.3.2	SRIE.2.3, SRIE.2.4 and SRIE.2.5
SRIE.1.2.3 Promote the adoption of a more flexible and targeted management framework for existing and or prospective Strategic Rural Industries.	SRIE.1.3.2	SRIE.2.1.3 SRIE.2.3 SRIE.2.4 SRIE.2.5

SRIE.1.2.4 Maintain rural amenity and minimise land use conflicts and reverse sensitivity effects associated with Strategic Rural Industries.	SRIE.1.3.3, SRIE.1.3.4	SRIE.2.3 SRIE.2.4 SRIE.2.5 SRIE.3.1
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44. The proposed policies and methods in the SRIE and their appropriateness in achieving the objectives of the SRIE are evaluated below. The methods proposed to implement the policies of the SRIE are grouped into land use and subdivision.
45. S32(2)(a) states that an environmental, economic, social and cultural effects assessment be undertaken in relation to the proposed provisions including economic growth and employment opportunities provided or reduced. For ease of evaluation the provisions have been packaged by issue topic.

Bulk and location provisions

46. The Business 4 Environment in the WDP has a set of existing bulk and location rules (WDP rule 42.4). Both Fonterra and Golden Bay Cement have special exemptions from these rules in the form of Scheduled Activities 14 and 15. The rules are designed to control built development within a site to avoid adverse amenity effects, landuse conflicts and risk of exposure to hazards. The 5 year efficiency and effectiveness review of the WDP (2012) did not identify any concerns with the way the bulk and location rules manage built development.
47. Pre-notification consultation, in particular feedback from the industry operators themselves, confirmed that there are very few issues with the existing bulk and location provisions. Minor changes to certain provisions were requested by operators to improve their ability to continue with operations.
48. Alternatives considered were:

Option 1: Status quo, Business 4 Environment and Scheduled Activity bulk and location provisions.

Option 2: No bulk and location provisions.

Option 3: Establish SRIE bulk and location provisions based primarily upon the existing Business 4 and Scheduled Activity provisions with amendments to height limits. (Plan Change Option)

TABLE 7: ALTERNATIVES EVALUATION – BULK AND LOCATION PROVISIONS		
	Costs	Benefits
Option 1: Status Quo.	<p><u>Environmental</u> Council may not fulfil its duties under the RMA to achieve the integrated management of the effects of the use and development of the land and resources. Current provisions do not fully address identified issues, land use conflicts and appropriate management of effects.</p> <p><u>Economic</u> Costs associated with compliance or for non-compliance gaining resource consent</p>	<p><u>Environmental</u> Current level of amenity, effects to the environment and density of built development remains consistent.</p> <p><u>Economic</u> Costs associated with compliance, or for non-compliance gaining resource consent, will continue as per status quo.</p> <p><u>Social</u> No change to the current provisions for landowners, investors and residents.</p>

	<p>will continue as per status quo.</p> <p><u>Social</u> Social costs remain consistent.</p> <p><u>Cultural</u> None identified.</p>	<p><u>Cultural</u> No cultural shift required to implement.</p>
Option 2: No bulk and location provisions.	<p><u>Environmental</u> Ad hoc built development resulting in adverse effects to amenity, health and safety, loss of sunlight, loss of privacy for neighbours and increased risk of land use conflicts.</p> <p><u>Economic</u> In the absence of rules, built development can occur ad hoc resulting in potential for serious land use conflicts.</p> <p><u>Social</u> In the absence of rules, built development can occur ad hoc resulting in potential adverse social effects due to loss of amenity, land use conflicts and health risks.</p> <p><u>Cultural</u> In the absence of rules, built development can occur ad hoc having the potential to impact on cultural resources and values particularly as a majority of Māori land and Sites of Significance to Māori are located in the rural area.</p>	<p><u>Environmental</u> Council fulfils its duties under s31(1)(a).</p> <p><u>Economic</u> Open opportunity for industries to maximise development within the Environment without the on-going costs of compliance.</p> <p><u>Social</u> None identified.</p> <p><u>Cultural</u> None identified.</p>
Option 3: Establish bulk and location provisions based primarily upon the existing Business 4 and Scheduled Activity provisions with amendments.	<p><u>Environmental</u> Maintains a similar level of amenity as the status quo. Increasing the height limitation will result in a change in the building visibility at the Fonterra Kauri Site. It is considered that this change will not significantly alter the existing amenity.</p> <p><u>Economic</u> Costs associated with compliance or for non-compliance gaining resource consent will be reduced as the changes provide for increased opportunity to operate within existing established sites.</p> <p><u>Social</u> Social costs remain consistent, proximity to neighbours, maintenance of privacy, maintenance of rural outlook and health remains the same.</p> <p><u>Cultural</u> None identified.</p>	<p><u>Environmental</u> Council fulfils its duties under s31(1)(a). Environmental effects are avoided, remedied or mitigated as a result of the amendments to the existing provisions addressing issues raised by operators.</p> <p><u>Economic</u> Costs associated with compliance or for non-compliance gaining resource consent will be reduced from status quo as more clarity is provided and additional height provided for.</p> <p><u>Social</u> Proximity to neighbours, maintenance of privacy, maintenance of rural outlook and health remains the same.</p> <p><u>Cultural</u> None identified.</p>
	Efficiency	Effectiveness
Option 1:	<p>Consultation and research have confirmed that while the status quo option may have some merit, particular rules have been identified as not appropriate and are inefficient.</p>	<p>Several provisions in the status quo option have been identified as being ineffective and resulting in unnecessary consent considerations.</p>
Option 2:	<p>Option 2 would result in no bulk and location provisions which will not result in any kind of management of effects being completely inefficient.</p>	<p>Option 2 would result in no bulk and location provisions which will not result in any kind of management of effects being completely ineffective.</p>
Option 3:	<p>Option 3 is considered to be an improvement of the status quo provisions, providing a more efficient method of achieving the objectives of the SRIE.</p>	<p>Option 3 would result in the improvement of the status quo provisions, increasing the effectiveness of the bulk and location provisions to meet the objectives of the SRIE.</p>

Economic Growth and Employment Opportunities

There is a low impact in terms of economic growth and employment associated with all options.

Bulk and location provisions have a direct relationship to the amenity and sense of place of an area. These controls have the ability to increase or decrease development costs associated with built development. Improving the ability for existing Strategic Rural Industries to operate will improve the economic growth options and employment opportunities associated with the industries.

Risk of acting and not acting if there is uncertain or insufficient information

There is no risk due to insufficient information.

The WDP has to give effect to the RPS, so the risk of not acting is high.

49. Option 3 is considered to be the most efficient and effective method to achieve the proposed SRIE objectives.

Traffic movements provisions

50. Large rural industries have the potential to create a significant number of traffic movements with goods, material and personnel moving to and from the sites. Strategic Rural Industries have the potential to have adverse effects on safety, responsiveness, integration and sustainability of the district's transport system as a result of increased traffic volumes, implications for accessways and crossings, increased signage etc.
51. The WDP limits traffic movements as a method to control activities that will result in significant increases in traffic these can result in adverse effects due to loss of amenity, noise, pedestrian safety, road safety and efficiency, dust, odour and parking. The Business 4 has a permitted activity rule for any activity that does not generate more than 200 vehicle movements in any 24-hour period. Schedule Activity 15 exempts Golden Bay Cement activities from complying with this limitation.
52. During pre-notification consultation, Fonterra requested a similar exemption from the limitation of vehicle movements for their Kauri Site on the basis that the site gains access directly from State Highway 1 and access to the site has been constructed to the standard necessary to comply with the NZTA standards. Any future upgrading or site access will have to be approved by the NZTA.
53. The efficiency and effectiveness of traffic movement rules were tested in the five year review of the WDP. This identified that there is an operational issue with the current wording of the provisions. The Business Environments traffic movement rule currently addresses traffic movements by activity and not by site; therefore multiple activities could operate up to 200 movements from one site.
54. It is a logical assumption that traffic movements will increase as the scale and nature of an activity increases, therefore setting traffic movement limits is an effects based method to manage the scale of activities. Limiting traffic movements however does not necessarily improve road and traffic efficiency and safety. The SRIE intends to provide for Strategic Rural Industries that have a reason and purpose for operating in the rural environment and in locations zoned where such a scale of activity is deemed to be appropriate. The need for traffic movements limits therefore needs to be reviewed.

55. Alternatives considered were:

Option 1: Status quo, maintain existing traffic movement limitation of 200 traffic movements per activity.

Option 2: Remove all traffic movement limitations where access is established in accordance with relevant standards (EES or NZTA). (Plan change option)

Option 3: Increase traffic movement limitations to 400 traffic movements per site.

TABLE 8: ALTERNATIVES EVALUATION – TRAFFIC MOVEMENTS		
	Costs	Benefits
Option 1: Status Quo.	<p><u>Environmental</u> Council will not fulfil its duties under the RMA to achieve the integrated management of the effects of the use and development of the land and resources.</p> <p><u>Economic</u> Provisions trigger unnecessary consent requirements placing extra compliance costs on the landowner.</p> <p><u>Social</u> None identified.</p> <p><u>Cultural</u> None identified.</p>	<p><u>Environmental</u> Scale of activities and their potential adverse effects in relation to transportation can be considered. A clear trigger to assess potential effects to the roading network.</p> <p><u>Economic</u> Strategic Rural Industries are enabled subject to avoiding, remedying or mitigating a level of effects, improving the potential for industries to contribute to the economy.</p> <p><u>Social</u> No change to the current provisions for landowners, investors and residents.</p> <p><u>Cultural</u> Provides a level of familiarity for WDP users and certainty about consenting practice and decisions. No cultural shift required to implement.</p>
Option 2: Remove all traffic movement limitations where access is established in accordance with relevant standards (EES or NZTA). (Plan change option)	<p><u>Environmental</u> An aspect of the scale of operation, use and development of SRIE is not specifically managed.</p> <p><u>Economic</u> None identified.</p> <p><u>Social</u> None identified.</p> <p><u>Cultural</u> None identified.</p>	<p><u>Environmental</u> Council fulfils its duties under section 31(1)(a). No limitation to scale of activities based upon an arbitrary figure. Effects on the road network will be managed at the time of access and site construction.</p> <p><u>Economic</u> Avoids the unnecessary cost of resource consent compliance. Improving the potential for industries to contribute to the economy.</p> <p><u>Social</u> None identified.</p> <p><u>Cultural</u> None identified.</p>
Option 3: Increase traffic movement limitations to 400 traffic movements per site.	<p><u>Environmental</u> None identified</p> <p><u>Economic</u> Provisions trigger unnecessary consent requirements placing extra compliance costs on the landowner.</p> <p><u>Social</u> None identified.</p> <p><u>Cultural</u> None identified.</p>	<p><u>Environmental</u> Council fulfils its duties under s31(1)(a). Scale of activities and their potential adverse effects in relation to transportation can be considered. A clear trigger to assess potential effects to the roading network.</p> <p><u>Economic</u> Strategic Rural Industries are enabled subject to avoiding, remedying or mitigating a level of effects,</p>

		improving the potential for industries to contribute to the economy. <u>Social</u> None identified. <u>Cultural</u> None identified.
	Efficiency	Effectiveness
Option 1:	Consultation and research have confirmed that the status quo option is not efficient as it unnecessarily triggers resource consent compliance for activities that have safe and efficient access.	The existing provision has been identified as ineffective by controlling activities rather than sites.
Option 2:	Option 2 would result in no limitation of traffic movements. This is considered to be efficient and effective as it does not create an unnecessary trigger or assessment. The potential effects to the road network and traffic safety can be assessed as a result of site access.	
Option 3:	While option 3 seeks to improve the status quo it is still considered to be inefficient as it unnecessarily triggers resource consent compliance for activities that have safe and efficient access.	Option 3 would result in the improvement of the status quo provisions increasing the effectiveness of the provision.
Economic Growth and Employment Opportunities		
There is a low impact in terms of economic growth and employment associated with all options. Improving the ability for existing Strategic Rural Industries to operate will improve the economic growth options and employment opportunities associated with the industries.		
Risk of acting and not acting if there is uncertain or insufficient information		
There is no risk due to insufficient information. The WDP has to give effect to the RPS, so the risk of not acting is high.		

56. Option 2 is considered to be the most efficient and effective method to achieve the proposed SRIE objectives.

Noise buffers - Noise vibration consequential amendments

57. Noise (and to a lesser extent vibration) are important components of rural character and amenity values. Rural areas are typically associated with lower levels of noise that help contribute to a greater degree of privacy and amenity than in a characteristic urban area. Evaluation of noise and vibration limits for Rural Environments has been discussed in Part 1 of the Evaluation Report. Noise and Vibration provisions in the WDP became operative on 24 May 2016.
58. Council have obtained a technical report from Peter Ibbotson from Marshall Day Acoustics titled Whangarei PC85 Review – Recommendations for Revision Rp001 2015614A. Mr. Ibbotson was the technical noise consultant for PC110 Noise and Vibration and had a key advisory role in the creation of the NAV chapter. The PC85 Noise Report provides recommendations on the noise and vibration rules that should apply to the various rural Environments. The Report recommends consequential amendments to the NAV chapter and more specifically NAV.6.1 Noise Arising from Activities within Environments and NAV.6.5 Sound Insulation Requirements, including a Noise Control Boundary approach for the SRIE.
59. The PC85 Noise Report recommends that the noise limit for the SRIE be the same as the Business 4 Environment. The 6th recommendation of the PC85 Noise Report requires specific

Alternatives Evaluation. This relates to Mr Ibbotson's recommendation for a noise control boundary for the Fonterra Kauri Milk Processing Site.

60. Three Strategic Rural Industries are proposed in the Rural Plan Changes. These are:
 - Kauri Dairy Factory (SH1 Kauri)
 - Croft Timer Company (SH1 Kauri)
 - Golden Bay Cement Works (Portland)
61. Proposed objectives within the SRIE chapter and the Rural Area Chapter acknowledge the importance of these industries to the economic prosperity of the district and greater region.
62. The proposed policies for the SRIE identify that rural amenity and containment of adverse sensitivity effects would be maintained. The PC85 Noise Report recommendation is that, where appropriate, proposed and future Strategic Rural Industries be protected from reverse sensitivity effects through the preparation of a Noise Control Boundary (NCB) around each Strategic Rural Industry site. In this instance the Kauri Site has been identified as one site where this approach would be warranted.
63. The proposed Noise Control Boundary for the Kauri Site falls across land that is not owned Fonterra.
64. If a site generates high levels of noise, an inner and outer noise control boundary would be required as follows:
 - **Outer Noise Control Boundary:** a line within which noise levels are expected to be above 55 dB L_{Aeq} (daytime) and 45 dB L_{Aeq} (night-time) even with all practicable noise control measures applied. This Noise Control Boundary may include an allowance for future expansion of the site.
 - **Inner Noise Control Boundary:** a line where noise levels are expected to be such that residential activity inside the line is inappropriate based on external noise levels. This would typically be a level of 65 dB L_{dn} , i.e. a constant noise level of around 59 dB $L_{Aeq(1hr)}$, or a daytime noise level of 65 dB L_{Aeq} and a night-time noise level of 55 dB L_{Aeq} . An Inner Control Boundary may not be appropriate for industry with relatively low levels of noise emission.
65. Future residential proposed within the Outer Noise Control Boundary (but outside the Inner Control Boundary) would be permitted subject to the proposed building design submitted for building consent incorporating sound insulation measures to achieve appropriate internal noise levels.
66. Mr Ibbotson has recommended the following for the Kauri Site:
 - Creating maps within the district plan that show the Noise Control Boundaries (inner and outer as appropriate).

- Applying the internal noise criteria in NAV6.5 to noise sensitive activities established inside the Outer Noise Control Boundary (but outside the Inner Noise Control Boundary).
- Prohibiting residential units from being established within any Inner Noise Control Boundaries.
- Agreeing with the existing industries the responsibility for noise control measures applied to existing dwellings within these boundaries.

67. Alternatives considered were:

Option 1: Status Quo: Maintain existing Business 4 NAV limits in the WDP with no specific provision for the Kauri Site.

Option 2: Marshall Day Recommendations: Apply recommended PC85 Noise Report Recommendations regarding NAV amendments and the establishment of Noise Control Boundaries and Sound Insulation requirements. (Plan change option)

TABLE 11: ALTERNATIVES EVALUATION – NOISE AND VIBRATION LIMITS		
	Costs	Benefits
Option 1: Status Quo.	<p><u>Environmental</u> Sensitive activities within proximity to the Kauri Site will be subjected to noise limits that may affect amenity values. New sensitive activities would be able to locate within proximity to the Kauri Site with no consideration of reverse sensitivity and noise effects.</p> <p><u>Economic</u> Reverse sensitivity effects could affect the continuing operation of the Kauri Site which is an important employer in the rural sector in Whangarei. If the Kauri site was required to reduce operation or close due to noise complaints it would have serious implications for the local community and wider district.</p> <p><u>Social</u> Health effects associated with sleep disturbance from noise from the Kauri site. A reduction of amenity and enjoyment of rural areas around the Kauri site.</p> <p><u>Cultural</u> None identified.</p>	<p><u>Environmental</u> None identified.</p> <p><u>Economic</u> Avoids costs to Council of preparing a Plan Change and implementing new district plan provisions. Avoids costs to Fonterra and building owners for installing sound insulation.</p> <p><u>Social</u> Ensures consistency and simplicity for the general community, business operators and landowners. New Sensitive activities will be able to locate in with minimum fuss.</p> <p><u>Cultural</u> None identified.</p>
Option 2: Marshall Day Recommendations: NAV amendments and noise control boundary for Kauri Site. (Plan change	<p><u>Environmental</u> None identified.</p> <p><u>Economic</u> There would be a cost to developers / owners for complying with sound insulation requirements. The costs to achieve adequate noise insulation to meet the proposed requirements are estimated³ at 1-8% of the total cost of construction for a new building, depending on the method and the amount of</p>	<p><u>Environmental</u> None identified.</p> <p><u>Economic</u> Appropriately insulated noise sensitive buildings / activities would result in a reduction in the likelihood of noise complaints against the Kauri Site. This will allow Milk Processing operations to operate without the threat of complaints, thus maintaining income and employment opportunities associated with the</p>

³ based on research of other Council's information including " Auckland Council's 2.43 land transport noise – section 32 evaluation for the Proposed Auckland Unitary Plan

<p>option)</p>	<p>noise insulation required to comply with established internal noise levels and whether ventilation is required.</p> <p><u>Social</u></p> <p>Noise sensitive activities already exist in proximity to the Kauri Site where the Noise Boundaries would apply. Therefore they have existing use rights and Council / Fonterra cannot compel them to move or to install acoustic insulation.</p> <p>The economic cost of insulating noise sensitive activities indicated above could discourage people from purchasing existing buildings or establishing noise sensitive activities in these areas.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p>continued operation of the Kauri Site.</p> <p>Insulating a building to reduce noise produces small benefits in reducing heat loss and the cost of heating or cooling the building.</p> <p>Additional economic benefits may be realised when the noise sensitive building is sold. It is expected that well insulated buildings may sell at a higher price than poorly insulated noise sensitive land uses in the same area, where sleep disturbance and a lower quality of life may have a negative impact on the value of the property.</p> <p><u>Social</u></p> <p>Enhanced indoor acoustic privacy/amenity for new or altered noise sensitive land uses so that sleep is not disturbed by high noise generating activities during the night.</p> <p>Further health risks associated with exposure to high levels of noise are also reduced.</p> <p>People living in well insulated homes tend to have fewer sick days and fewer trips to the doctor. The health risks associated with exposure to high levels of noise are also reduced.</p> <p><u>Cultural</u></p> <p>None identified.</p>
	Efficiency	Effectiveness
<p>Option 1:</p>	<p>Option 1 has been identified as inefficient as technical advice has identified that maintaining the status quo could lead to reverse sensitivity conflicts that affect the ongoing operation of the Kauri Site.</p>	<p>The status quo option has been identified as being ineffective as the status quo mechanisms will not provide adequate acknowledgement and protection to the Kauri Site which is identified as a strategic rural industry that needs to be provided for in the Rural objectives.</p>
<p>Option 2:</p>	<p>Option 2 is considered an efficient option as it will help achieve a reasonable level of noise in new / altered sensitive activities while avoiding unnecessary reverse sensitivity conflicts with the established Kauri Site.</p>	<p>Option 2 is an effective option as it strikes an appropriate balance between allowing for the current and future operations of the Kauri Site while maintaining a reasonable level of acoustic amenity for surrounding sensitive activities.</p>
Economic Growth and Employment Opportunities		
<p>There is a low to medium impact in terms of economic growth and employment associated with the preferred option 2.</p> <p>The objectives seek to promote economic growth and improve employment opportunities by ensuring that rural land resources are utilised primarily for production purposes where possible. The Kauri Site is identified as a Strategic rural industry and thus has significance to the rural and wider district economy. As identified in the assessment above, providing for the ongoing operation of the Kauri Site will mean that it can continue to grow and provide employment opportunities.</p>		
Risk of acting and not acting if there is uncertain or insufficient information		
<p>There is no risk due to insufficient information as Council have obtained a technical report from Marshall Day.</p> <p>There is a moderate risk associated with the preferred option. Existing buildings have existing use rights and cannot be compelled to acoustically insulate. This could affect the uptake of the insulation and its overall success at reducing reverse sensitivity conflicts. However in this instance Fonterra is considering contributing to retrofitting insulation in existing buildings in the Noise Control Boundary which would help offset this potential risk.</p>		

68. Overall option 2 is considered the most efficient and effective option based upon specialist technical advice.

Subdivision provisions

69. Strategic Industries are generally large operations occupying significant areas of land. As such it is not anticipated that subdivision will be a high occurring activity. Provided that subdivision is

undertaken in a reasonable manner there is limited risk of adverse effects occurring as a result of subdivision in the SRIE.

70. The WDP provides for subdivision within the Business 4 Environment as a controlled activity provided that every allotment has a minimum net site area of 1000m² where connected to reticulated sewer or 2000m² where onsite effluent disposal is necessary. Other than minor boundary adjustments, subdivision of the established Strategic Rural Industries has not been necessary to date.
71. In early working drafts of the PC85 provisions subdivision and future expansion was drafted as being subject to a comprehensive development approach utilising the Management Plan Technique (MPT). Feedback from existing strategic rural industries was that the MPT was unnecessarily complicated when the majority of their operational needs were provided for within existing provisions. Significant redevelopment of their sites is not considered necessary.
72. Alternatives considered were:
- Option 1:** Status quo, maintain the existing Business 4 controlled activity minimum lot size of 1000m² where connected to reticulated sewer or 2000m² where onsite effluent disposal is required as a controlled activity.
- Option 2:** Have no minimum allotment size and make all subdivision a discretionary activity. (Plan change option)
- Option 3:** Redevelopment via MPT.

TABLE 12: ALTERNATIVES EVALUATION – SUBDIVISION

	Costs	Benefits
Option 1: Status Quo.	<p><u>Environmental</u> Council will not fulfil its duties under the RMA to achieve the integrated management of the effects of the use and development of the land and resources. The generic approach to subdivision provisions across all Business 4 Environments does not provide flexibility for Strategic Rural Industries.</p> <p><u>Economic</u> Provisions trigger unnecessary consent requirements placing extra compliance costs on the landowner.</p> <p><u>Social</u> None identified.</p> <p><u>Cultural</u> None identified.</p>	<p><u>Environmental</u> The minimum lot size affords a level of protection to the rural area, while providing for subdivision of land within the SRIE.</p> <p><u>Economic</u> Subdivision is enabled subject to avoiding, remedying or mitigating adverse effects.</p> <p><u>Social</u> No change to the current provisions for landowners, investors and residents. Continued flexibility for landowners and investors in terms of land use and development options.</p> <p><u>Cultural</u> Provides a level of familiarity for WDP users and certainty about consenting practice and decisions. No cultural shift required to implement.</p>
Option 2: All subdivision a discretionary activity. (Plan change option).	<p><u>Environmental</u> Lack of direction in terms of what is an acceptable minimum lot size.</p> <p><u>Economic</u> Comparable costs associated with subdivision consent requirements when</p>	<p><u>Environmental</u> Council fulfils its duties under s31(1)(a). Subdivision of land within the SRIE is provided for as a discretionary activity.</p> <p><u>Economic</u></p>

75. The objectives proposed in PC85B are considered to be the most appropriate way to achieve the purpose of the RMA.
76. It is considered that the proposed PC85B policies and methods discussed in this report are the most efficient and effective means of achieving the proposed PC85B objectives.