

Plan Change 88H: [Heavy Industrial Zone]

Section 32 Evaluation Report

Prior to Notification

March 2019

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List of Abbreviations

Environmental Engineering Standards 2010	EES 2010
Environmental Engineering Standards 2018	ES 2018
Long Term Plan	LTP
Gross Floor Area	GFA
Local Government Act 2002	LGA
New Zealand Coastal Policy Statement	NZCPS
Regional Water and Soil Plan	RWSP
Draft Regional Plan	DRP
Northland Regional Council	NRC
Northland Regional Policy Statement	NRPS
Resource Management Act 1991	RMA
Section 32 of the RMA	s32
Section 42A of the RMA	s42A
Structure Plan	SP
Urban Growth Strategy	UGS
Whangarei District Growth Model	WDGM
Whangarei District Council Operative District Plan	WDP
Whangarei District Growth Strategy, Sustainable Futures 30/50	30/50
Whangarei 20/20 Plus	20/20 Plus
Crime Prevention through Environmental Design	CPTED
Parking Management Strategy 2011	PMS
City Centre Development Plan	CCDP
National Environmental Standards	NES
National Policy Statements	NPS
NPS on Urban Development	NPS:UDC
Outstanding Natural Landscapes	ONL
Outstanding Natural Feature	ONF
Mean High Water Springs	MHWS
City Centre Zone	CC
Mixed Use Zone	MU
Commercial Zone	COM
Residential Zone	RES
Low Density Residential Zone	LDR
Medium Density Residential Zone	MDR
High Density Residential Zone	HDR
Light Industrial Zone	LI
Heavy Industrial Zone	HI
Waterfront Zone	WZ
Shopping Centre Zone	SCZ
Neighbourhood Commercial Zone	NC
Local Commercial Zone	LC
Urban Area	UA
Living 1 Environment	L1
Living 2 Environment	L2
Living 3 Environment	L3
Business 1 Environment	B1
Business 2 Environment	B2
Business 3 Environment	B3
Business 4 Environment	B4

1. Introduction

1.1 Overview

1. This forms **Part 9** of the Section 32 (**s32**) evaluation report for the Urban Plan Changes. This part should be read in conjunction with the other **Parts 1 – 11**. The general introduction, statutory assessment and analysis of higher order policy documents are contained within **Part 1**. Strategic Direction objectives, policies and performance standards are evaluated in terms of s32 under Plan Change 148.

1.2 The Proposed Plan Change

2. Plan Change 88H (**PC88H**) seeks to introduce a new Zone into the Operative Whangarei District Plan (**WDP**): the Heavy Industrial Zone (**HI**). The HI proposes to replace portions of existing Business 2 and 4 Environments within the UA. PC88H will include:
 - A new ‘Heavy Industry Environment’ Chapter – with objectives, policies and rules for the Zone, including land use and subdivision provisions for the Zone.
 - Changes to the WDP Planning maps – denoting the HI.
 - Consequential changes to the WDP.
3. PC88H includes a description of the proposed HI to identify the environmental expectations and outcomes sought in the Zone through the proposed objectives, policies and rules.

2. Background

2.1 Existing Environment

4. Outside of the central city there is a mixture of Business 2 (**B2**), Business 3 (**B3**) and Business 4 (**B4**) Environments throughout the UA. The B3 Environment typically applies to smaller scale local shopping centres; these have been addressed in **Part 6** of this report. The B2 Environment has traditionally been considered a “light industrial” zone with the B4 Environment being considered a “heavy industrial” zone.

5. The B4 is described in the WDP as:

Generally, it includes the heavy industrial areas of the District. In accordance with the nature of the heavy industrial activities within this Environment, the threshold levels are higher than other Business Environments.

6. The 5 year review of the WDP’s efficiency and effectiveness focused upon the objectives and policies rather than zoning efficiency and effectiveness with very little noted regarding the Business Environments. In summary, the review noted that B4 has a very open Environment description and while the provisions are less permissive than B2, they do not preclude commercial and light industrial activities from establishing in the B4 Environment, creating opportunity for increasing land prices and reverse sensitivity effects.

7. The Upper North Island Industrial Land Demand report (**UNIILD**), prepared in February 2015, sought to review industrial land needs and current availability. The UNIILD used Whangarei District's industrial supply and demand as a case study. A key finding of this report is that:

Overall, land use planning is the most significant regulatory and policy influence affecting the supply and uptake of industrial land for industrial purposes. This provides a very strong message that if the present function of industrial areas is to be retained then changes in land use cannot be left to the property market alone to resolve. Changes in accessibility by alternative transport modes and/or specific zoning changes may be required. The advantage of this approach is that in areas where competing, higher value land uses could crowd out industrial activity, industrial land for industrial purposes could be protected and industrial land supply maintained. It also has the added benefit of protecting the vitality of planned commercial and retail centres.

2.2 Resource Management Issues

8. Sections 2.2.1 – 2.2.2 discuss the following key resource management issues in relation to the HI and heavy industrial activities generally:

- Lack of strong policy direction
- Sufficient land supply

2.2.1 Lack of Strong Policy Direction

9. It is important that the HI provides clear direction of the anticipated outcomes of the zone. Lack of strong policy direction can lead to industrial land being used for non-industrial purposes, such as commercial or residential. This can result in:

- A lack of certainty for industry investment decisions.
- Rising land prices responding to higher value land uses such as retail, making land unaffordable for industrial land use.
- Potential reverse sensitivity effects from sensitive activities, locating in proximity to existing industrial activities.
- Sprawl of retail, hospitality and commercial activities outside the central city area and into less appropriate areas, compromising the city's vitality and economic performance.
- Fragmentation of the industrial land supply through inappropriate subdivision removing the supply, or raising the price, of larger lots that some industrial land use requires.

2.2.2 Sufficient Land Supply

10. Larger-scale industrial activities may produce objectionable odour, dust, hazardous materials, noxious or noise emissions. Because of this, these activities are often located away from other commercial and sensitive activities. Noxious and larger-scale industrial activities include activities such as concrete manufacturing, wood processing, fertiliser plants, and oil refineries. These activities require large flat

allotments and access to freight routes, especially rail. They generally have large buildings, a low percentage of the allotment occupied by buildings, and a small number of employees per hectare.¹

11. The National Policy Statement for Urban Development Capacity (**NPS:UDC**) requires WDC to provide sufficient business land development capacity and the required infrastructure to support this development. As there are several requirements for industrial land it is important that the potential available land is not unduly compromised. It is necessary to ensure that PC88H provides an appropriate amount of land for larger-scale industrial use, and that this land is feasible for noxious and larger-scale industrial activities.

3. Proposed Heavy Industry Environment

12. The proposed Heavy Industrial Zone provides for noxious and larger-scale industrial activities which contribute to the economic wellbeing of the Whangarei District and the wider Northland Region. Noxious and larger-scale industrial activities often produce objectionable odour, dust, noise, emissions and hazardous materials. Consequently, the proposed HI has a lower level of amenity when compared to other zones, comprising large buildings, stockpiles of materials, fenced concreted yards and restricted public access to sites.
13. The proposed HI has been located away from more sensitive Environments (such as Residential and Open Space Environments) to ensure that adverse effects on sensitive activities are minimised, as well as to prevent reverse sensitivity effects that may limit the operation and expansion of larger-scale industrial activities. To support this approach, it is critical to protect noxious and larger-scale industrial activities from the encroaching development of sensitive activities.
14. While larger-scale industrial activities are the primary focus within the HI, the zone also provides for activities which are inherently a part of industrial activities (such as small scale food and beverage activities and ancillary offices and retail activities) but only to the extent that they are required to facilitate the operation of industrial activities.
15. The following criteria have been used to identify appropriate areas for the proposed HI:

TABLE 1: PROPOSED HI ZONING CRITERIA	
Criteria	Reason/Issue
There is a range of existing large scale industrial and large scale retail activities.	The HI is not anticipated to experience significant changes in land use patterns. Areas that contain an existing range of activities that are consistent with those anticipated in the HI are more appropriate to be zoned as HI than areas with a high presence of activities like restaurants, cafes, general retail, residential activities and community activities.
The area has good access to major transport routes and key resources and infrastructure.	Activities anticipated within the HI typically require access to transport routes for deliveries and/or shipments and heavy vehicle movements. Access to key infrastructure such as ports and railroads is also important.
The proximity of the area to more sensitive zones such as Living Zones.	Activities in the HI are susceptible to reverse sensitivity. It is important that the HI is not located in areas that are surrounded by sensitive activities and/or more

¹ Upper Northland Industrial Land Demand, BERL, Feb 2015

	sensitive zones. Locations that are in proximity to zones such as Living or Mixed-use Zones are less appropriate for the HI.
The existing amenity levels of the area.	The HI is not anticipated to experience significant changes in built form. Areas that have high amenity are not considered appropriate for the HI as the activities and effects based controls in the HI could compromise amenity values.
The area has an existing supply of large sized allotments.	The activities anticipated in the HI require large allotment sizes to operate and function effectively. Areas where allotment sizes are already highly fragmented are not appropriate for HI zoning as it would be difficult for future larger-scale industrial activities to establish.
The presence of significant natural, historical and/or cultural features.	Noxious and larger-scale industrial activities can have significant adverse external effects. Areas with identified natural, historical and/or cultural values are considered less appropriate for the HI unless there is a functional need to locate in these areas (e.g. locating in the Coastal Area near ports).

16. The proposed HI zoning is shown in pink in Figures 1 – 3 below:

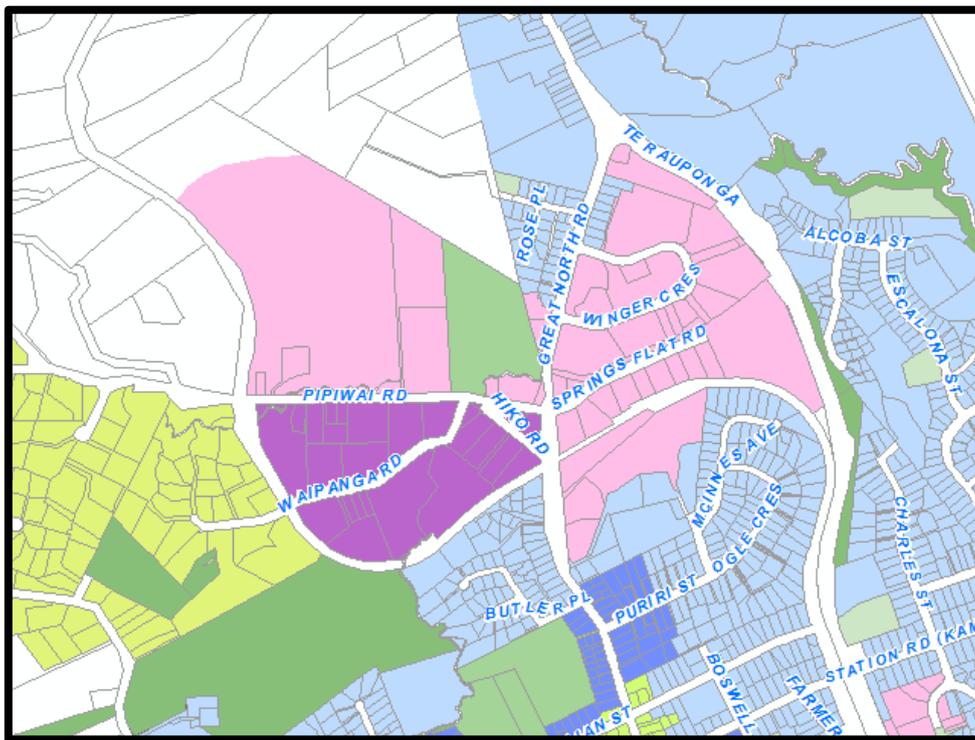


Figure 1: Proposed Heavy Industrial Zone north of Kamo shown in purple

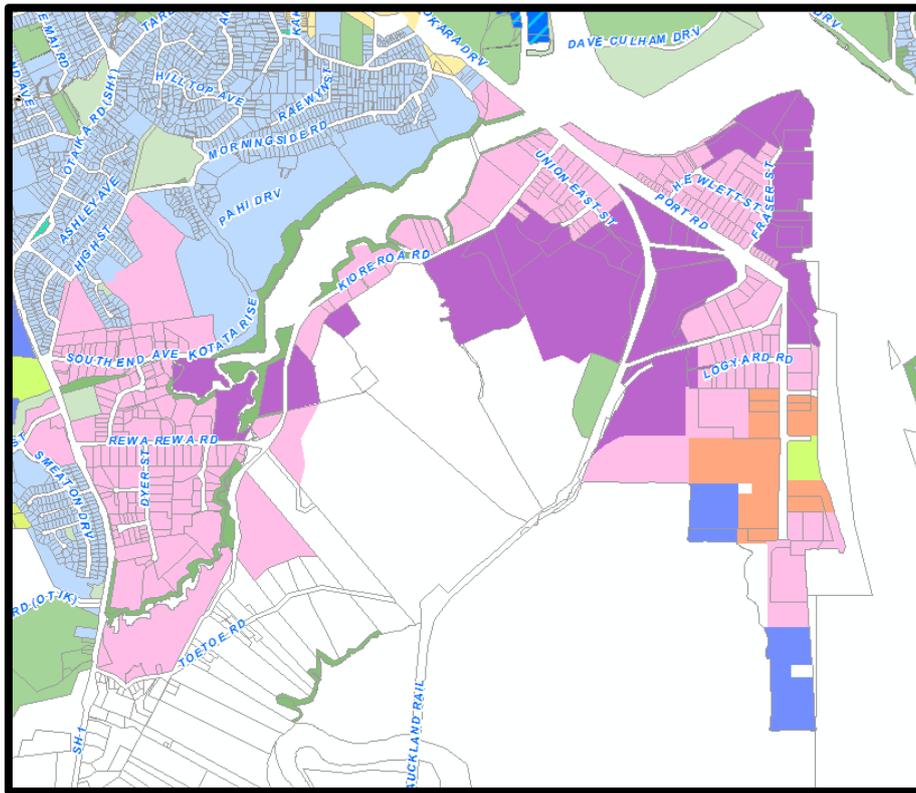


Figure 2: Proposed Heavy Industrial Zone south of Whangarei City shown in purple

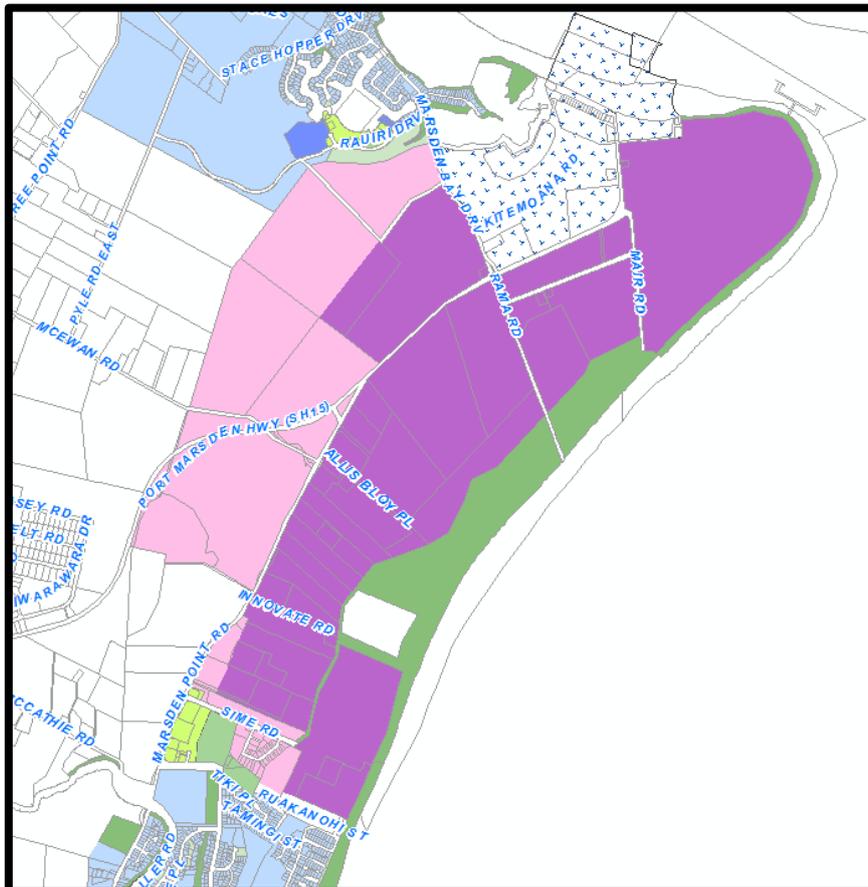


Figure 3: Proposed Heavy Industrial Zone at Ruakaka/Marsden Point shown in purple

4. Section 32 Analysis

4.1 Appropriateness in Terms of Purpose of RMA

17. Council must evaluate in accordance with s32 of the RMA the extent to which each objective proposed in PC88H is the most appropriate way to achieve the purpose of the RMA. To confirm the appropriateness of the proposed objectives, sections 4.1 – 4.4 of this report go on to assess whether the proposed objectives are the most appropriate way to achieve the purpose of the RMA, other higher order documents, and higher order objectives proposed in the Strategic Direction Chapter. The level of analysis undertaken in this report is appropriate to the scale of the proposal.
18. PC88H seeks to introduce a new zone to the WDP. Therefore, it is considered appropriate to introduce new objectives to provide a suitable planning framework for the HI and address the current resource management issues.
19. PC88H proposes the following objectives, the reasons for which are detailed in Table 1:

TABLE 2: S32 ASSESSMENT OF PROPOSED HI OBJECTIVES	
Proposed HI Objectives	Reason/Issue
HI-O1 – Effective and Efficient Functioning Larger scale and noxious industrial activities function effectively and efficiently without constraint from non-compatible activities.	This objective aims to give clear guidance on the scale and nature of industrial activities that are anticipated within the HI, to address the current lack of guidance regarding the purpose of the WDP Environments.
HI-O2 – Adverse Effects Adverse effects on the natural environment and amenity of adjacent zones are managed.	Noxious and larger-scale industrial activities have the potential to cause adverse effects on the environment and on character and amenity values. As the HI is in proximity to Green Space Zones it is important that adverse effects are managed.
HI-O3 – Ancillary Activities Ancillary and supporting activities are controlled to ensure that industrial land supply is not compromised.	This objective acknowledges that industrial activities often involve or require ancillary activities. However, it is important that non-industrial activities are managed to protect industrial land supply.
HI-O4 – Reverse sensitivity Activities that may compromise the operation of noxious or large scale industrial activities within the HI, or generate reverse sensitivity or increased risk effects, are avoided.	Noxious and larger-scale industrial activities require protection from the establishment of sensitive activities and the encroachment of more sensitive zones. This objective provides the direction to manage reverse sensitivity effects.
HI-O5 – Subdivision The supply of large allotments within the HI is preserved for large scale industrial activities.	Subdivision patterns can result in fragmentation of industrial land which can compromise the long-term capacity of the HI to accommodate larger-scale industrial activities as intended by the zone.

20. Part 2 of the RMA outlines the purpose and principles of the RMA. Table 3 demonstrates that the proposed HI objectives achieve the purpose of the RMA. Several sections within Part 2 of the RMA are not relevant to PC88H. Additionally, with regard to s8, consultation with Tangata Whenua has been undertaken and no matters have been identified that would indicate that PC88H is inconsistent with s8.

TABLE 3: LINKAGE OF PROPOSED HI OBJECTIVES WITH PART 2 OF THE RMA

		Proposed Heavy Industrial Zone Objectives				
		HI-O1	HI-O2	HI-O3	HI-O4	HI-O5
RMA Part 2 Sections	5(2)(a)	✓	-	✓	✓	✓
	5(2)(c)	-	✓	-	-	-
	6(a)	-	✓	-	-	-
	7(b)	✓	-	✓	✓	✓
	7(c)	-	✓	-	-	-
	7(f)	-	✓	-	-	-
	7(g)	✓	✓	✓	✓	✓

21. Having assessed the proposed objectives against Part 2 of the RMA it is considered that they achieve the purpose of the RMA and promote sustainable management.

4.2 Appropriateness in Relation to Higher Order Documents

22. The provisions of higher order documents were considered in the formulation of the objectives and policies in PC88H. **Part 1** of the s32 Report provides a comprehensive evaluation of the consistency of PC88A – J in relation to relevant higher order documents. Table 4 provides an overview of the proposed HI objectives' consistency with the relevant higher order documents.

		TABLE 4: LINKAGE OF PROPOSED HI OBJECTIVES WITH HIGHER ORDER DOCUMENTS				
		Proposed Heavy Industrial Zone Objectives				
		HI-O1	HI-O2	HI-O3	HI-O4	HI-O5
Higher Order Documents	Regional Policy Statement for Northland 2016	✓	✓	-	✓	✓
	Whangarei District Growth Strategy – 30/50	✓	-	-	-	✓
	Blue/Green Network	-	✓	-	-	-
	Upper North Island Industrial Land Demand	✓	-	✓	-	✓

4.3 Appropriateness in Relation to the Strategic Direction Chapter

23. The proposed HI objectives are subservient to the higher order district wide objectives set out in the Strategic Direction Chapter proposed under Plan Change 148. The relevant overarching Strategic Direction Chapter objectives and policies and their links to the proposed HI objectives are shown in Table 5 below. This table illustrates that the objectives of the HI are effectively linked to the relevant overall objectives and policies of the Strategic Direction Chapter which have been assessed as being appropriate in terms of s32 (refer to Plan Change 148 s32 Report).

TABLE 5: LINKING BETWEEN STRATEGIC DIRECTION CHAPTER AND HI OBJECTIVES

Proposed SD Objective	Proposed SD Policies	Proposed HI Objectives
SD-01 – Range of Zones Provide for differing character and amenity values by having a range of Zones with differing expectations.	SD-P1, P19, P20 – SD-39	HI-O1
SD-02 – Rural and Urban Areas Protect the range of amenity values and characteristics in the Rural Area and the Urban Area.	SD-P4, P10	HI-O2
SD-03 – Growth Accommodate future growth through urban consolidation of Whangarei city, existing suburban nodes and rural villages, to avoid urban development sprawling into productive rural areas.	SD-P6	HI-O1, O3, O5
SD-05 – Incompatible Activities Avoid conflict between incompatible land use activities from new subdivision and development.	SD-P2	HI-O4
Urban Area Objectives		
SD-11 – Residential and Business Demand Ensure that there are sufficient opportunities for the development of residential and business land to meet demand.	SD-P8	HI-O1, O3 – O5
SD-013 – Unanticipated Activities Manage, and where appropriate avoid the establishment of activities that are incompatible with existing uses or unanticipated in the zone.	SD-P2, P4	HI-O4

4.4 Appropriateness of Proposed Policies and Methods

24. A s32 assessment must determine whether the proposed provisions are the most appropriate way to achieve the proposed objectives by undertaking a 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 information exists must also be considered. Below is an assessment of the proposed provisions.

4.4.1 Proposed HI Policies

25. The proposed HI objectives are achieved through the application of policies and methods, in this case the use of land use and subdivision rules.

26. The policies proposed for inclusion (see **Proposed Plan Changes Text and Maps**) are considered to achieve the objectives by:

- Identifying the character and amenity that is anticipated within the HI.
- Enabling larger-scale and noxious industrial activities.
- Managing cumulative effects from smaller-scale industrial activities compromising the supply of large allotments.
- Managing non-industrial activities to protect existing industrial activities, industrial land supply and the viability of commercial centres.
- Managing adverse visual effects on the surrounding environment.

- Managing stormwater and future esplanade corridors by protecting mean high water springs and river banks from inappropriate development.
- Avoiding fragmentation by managing subdivision.

27. The proposed policies are considered the most appropriate for achieving the objectives and provide a coherent link to the methods and rules in the proceeding sections of the HI chapter. The use of clear and direct policies also aligns with the policy driven approach applied to the rolling review. Table 6 below demonstrates that the policies proposed for the HI implement the proposed HI objectives, and that the methods implement the proposed HI policies:

TABLE 6: LINKING OF PROPOSED HI PROVISIONS		
Proposed HI Objective	Proposed HI Policies	Proposed HI Methods
HI-O1 – Effective and Efficient Functioning Larger scale and noxious industrial activities function effectively and efficiently without constraint from non-compatible activities.	HI-P1, P2, P3	HI-R2, R5, R6, R18 – R31, mapping
HI-O2 – Adverse Effects Adverse effects on the natural environment and amenity of adjacent zones are managed.	HI-P5, P6	HI-R2, R3, R4, R7.2, R15.3, R16.2, mapping
HI-O3 – Ancillary Activities Ancillary and supporting activities are controlled to ensure that industrial land supply is not compromised.	HI-P4	HI-R8 – 17
HI-O4 – Reverse sensitivity Activities that may compromise the operation of noxious or large scale industrial activities within the HI, or generate reverse sensitivity or increased risk effects, are avoided.	HI-P4	HI-R3, R21, R25, R30, mapping
HI-O5 – Subdivision The supply of large allotments within the HI is preserved for large scale industrial activities.	HI-P7	SUB-R10

28. An alternative option to the proposed policies was to rely on the existing higher order policies in Part D of the WDP. However, the existing policies are not considered to be effective in giving effect to the strategic direction for the HI area. Therefore, the existing policies present additional costs and risk compared to the proposed policies.

4.4.2 Proposed HI Boundaries

29. Spatial mapping is considered to be an appropriate method of achieving the objectives of the HI as it identifies where the proposed new objectives and provisions do and do not apply. In order to assess the appropriateness of the proposed spatial extent of the HI in achieving the objectives of the HI the following three options were evaluated:

- **Option 1:** Status Quo: Map the HI to match the current extent of the B4.
- **Option 2:** Map the HI based on the criteria identified in section 3 above and provide a zoning criteria policy within the Strategic Direction Chapter. (Plan change option)

- **Option 3:** Replace the B2 and B4 with a single Industrial Zone.

30. Evaluation of these alternative options have been summarised in Table 7:

TABLE 7: SECTION 32 ASSESSMENT OF MAPPING OPTIONS		
	<u>Costs</u>	<u>Benefits</u>
Option 1: Status Quo	<p><u>Environmental</u> Potential adverse effects on amenity and character as the B4 is located in proximity to more sensitive zones in several locations.</p> <p><u>Economic</u> Operational costs arising from reverse sensitivity effects as large portions of the B4 are located in proximity to more sensitive zones. Some areas of B4 are not suitable for larger-scale industrial activities due to smaller site pattern, transport access, site constraints, etc. which could increase the operational or establishment costs for larger-scale industrial activities. Insufficient land supply to meet projected industrial land demand.</p> <p><u>Social</u> Adverse effects on walkability adjacent to more sensitive zones.</p> <p><u>Cultural</u> None identified.</p>	<p><u>Environmental & Cultural</u> None identified</p> <p><u>Economic</u> No change to the current level of compliance and enforcement cost.</p> <p><u>Social</u> Status quo so familiar to district plan users.</p>
Option 2: Map HI based on criteria in section 3	<p><u>Environmental, Social & Cultural</u> None identified</p> <p><u>Economic</u> Change in zoning pattern could result in some existing activities no longer being consistent with the zone and needing to rely on existing use rights. More prescriptive than Option 3 as light and heavy industrial zones would be separately identified.</p>	<p><u>Environmental</u> Improved amenity within more sensitive zones compared to Option 1 as the HI would be relocated away from some of these areas. Better environmental protection than Option 3 which would significantly increase the capacity for noxious industrial activities.</p> <p><u>Economic</u> Reduced reverse sensitivity effects compared to Option 1. Sufficient land supply is provided for industrial land. Existing B2 and B4 land which is less suitable for industrial activities due to allotment size, proximity to sensitive activities, etc. would be rezoned as an alternative zone to enable more efficient use of the land.</p> <p><u>Social</u> Improved walkability around city fringe area compared to Option 1 as the B4 in this area would be rezoned for more appropriate uses.</p> <p><u>Cultural</u> None identified.</p>
Option 3: Single	<p><u>Environmental</u></p>	<p><u>Environmental & Cultural</u></p>

<p>Industrial Zone</p>	<p>Smaller-scale and larger-scale industries have differing requirements for locating and operating. A single zone may not adequately provide for both while mitigating adverse environmental effects.</p> <p>Noxious and larger-scale industries may be constrained from operating efficiently through the location of incompatible smaller-scale industrial activities and non-industrial activities.</p> <p><u>Economic</u></p> <p>Land may not be protected for larger-scale industries leading to:</p> <ul style="list-style-type: none"> • rising land prices making land unaffordable for larger-scale industrial land use • subdivision removing the supply of larger lots required by larger-scale industries. <p><u>Social</u></p> <p>Could enable noxious and larger-scale industrial activities in sensitive locations adversely affecting social wellbeing.</p> <p><u>Cultural</u></p> <p>None identified.</p>	<p>None identified.</p> <p><u>Economic</u></p> <p>Larger, more general single industrial zone could provide greater flexibility for industrial activities.</p> <p><u>Social</u></p> <p>Less complex compared to Options 1 and 2, only one zone covering all industry land use.</p>
<u>Efficiency</u>		<u>Effectiveness</u>
<p>Option 1</p>	<p>This option is not efficient at providing for the sustainable management of industrial land use.</p>	<p>Option 1 does not effectively achieve the objectives of the HI as the zoning pattern does not manage reverse sensitivity or protect the environment and more sensitive zones.</p>
<p>Option 2</p>	<p>This option is considered an efficient method to provide for noxious and larger-scale industrial activities in appropriate locations.</p>	<p>This option is considered effective in achieving the HI objectives.</p>
<p>Option 3</p>	<p>This option is efficient in identifying land for industrial use but does not provide clarity as to where smaller-scale and larger-scale industrial activities are appropriately located.</p>	<p>This option is not effective in achieving the HI objectives.</p>
Economic Growth and Employment Opportunities		
<p>Industrial development and land use provides economic benefit to the district.</p> <p>Option 2 provides the most opportunity for economic growth and employment opportunities as it has been assessed as providing sufficient capacity for projected business growth and identifies more appropriate locations for noxious and larger-scale industrial activities.</p> <p>Options 1 and 3 provide for economic growth and employment opportunities, but potentially at the expense of noxious and larger-scale industry and with wider effects on the sustainable development of the City Centre, other commercial centres and Living Zones.</p>		
Risk of acting and not acting if there is uncertain or insufficient information		
<p>There is no risk of acting due to insufficient information.</p>		

31. As shown in Table 7, Option 2 (the proposed plan change) is considered to be the most appropriate method of achieving the objectives of the HI. It is considered that providing a zoning criteria policy within the Strategic Direction Chapter will strengthen the zoning criteria of the CC by linking the zone mapping to a policy.

4.4.3 Proposed HI Rules

32. The proposed provisions in the HI are assessed below. The proposed provisions are grouped by topic. The evaluation of the provisions includes the identification of alternative options and an assessment of the costs, benefits, efficiency and effectiveness of the proposed provisions and the risks of acting and not acting.

Building Bulk and Location

33. The proposed HI objectives seek to enable noxious and larger-scale industrial and ancillary activities while managing adverse amenity effects, especially on adjacent Green Space Zones. Proposed Rule HI-R2 manages building height within the HI. The proposed maximum building height is 40m, with no more than 25% of the net site area to be occupied by buildings higher than 20m. This retains the status quo approach but increases the maximum from 35m to 40m.
34. Proposed Rule HI-R3 seeks to manage building setbacks from roads and zone boundaries and from Mean High Water Springs (**MHWS**) and rivers over 3m. The proposed setbacks are consistent with the status quo for the B4. The proposed 27m setback from MHWS and rivers over 3m in width aims to ensure that land is available for esplanade reserves/strips, and that those areas are protected for conservation, ecological, recreational, access and hazard mitigation purposes. This distance was arrived at through Environment Court mediation on the WDP.
35. Alternatives considered included removing any height limits and requiring bigger setbacks from different zones. However, there are no known issues with the WDP provisions. The proposed provisions enable slightly more development opportunities by increased the maximum building height by 5m, and remove the reference to Appendix 11 – Daylight Angles in the WDP as this is unclear for plan users and is considered redundant with the proposed setbacks. Table 8 below demonstrates the appropriateness of the proposed provisions.

TABLE 8: S32 ASSESSMENT OF BUILDING BULK AND LOCATION PROVISIONS	
Costs	Benefits
<u>Environmental, Economic, Social and Cultural</u> None identified.	<u>Environmental and Cultural</u> None identified. <u>Economic</u> Slightly increased development opportunities by increasing building height by 5m. <u>Social</u> More clarity for plan users by removing reference to Appendix 11 – Daylight Angles.
Efficiency	Effectiveness
There are no known issues with the status quo except for the reference to Appendix 11 – Daylight Angles. Due to the proposed change in zone boundaries and the HI	The status quo is currently effectively managing building bulk and location in the B4 apart from the daylight angle provision which is proposed to be removed.

now being located further away form more sensitive zones than the B4, increasing the height by 5m is considered appropriate.	
Economic Growth and Employment Opportunities	
The proposed rules retain the status quo and have minimal impact on economic growth and employment opportunities.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Cross Boundary Effects

36. A portion of the proposed HI is located adjacent to Rural Production and Green Space Zones. Proposed Rules HI-R7.2, R15.3, R16.2 seek to require landscaping along these shared boundaries. These provisions aim to reduce adverse effects on Rural Production and Green Space Zones and manage potential reverse sensitivity effects. The B4 does not have landscaping requirements adjacent to Open Space Environments. Due to the scale of development and activities enabled in the HI, it is considered important to manage potential cross boundary effects.
37. The alternative considered was to retain the status quo with no landscaping requirements; however, this is not considered appropriate. Table 9 below demonstrates the appropriateness of the proposed provisions.

TABLE 9: S32 ASSESSMENT OF CROSS BOUNDARY EFFECTS PROVISIONS	
Costs	Benefits
<u>Environmental, Social and Cultural</u> None identified.	<u>Environmental and Social</u> Helps minimise adverse effects on adjacent sites in Rural Production and Green Space Zones.
<u>Economic</u> Additional consenting costs where rules are breached. Potential additional costs to comply with rules.	<u>Economic</u> Manages reverse sensitivity effects.
	<u>Cultural</u> None identified.
Efficiency	Effectiveness
Rules are clear and not considered to be onerous but have positive outcomes for both the developing site and adjacent sites.	The proposed rules are considered effective in meeting the objectives of the proposed HI by protecting amenity in Green Space Zones and manages reverse sensitivity.
Economic Growth and Employment Opportunities	
The proposed rules are not considered to have significant impacts on economic growth and employment as activities can be designed to meet the rules and there is a limited extent of HI immediately adjacent to Green Space Zones.	
Risk of acting and not acting if there is uncertain or insufficient information	
There is no known risk due to insufficient information.	

Outdoor Areas of Storage

38. The WDP currently manages outdoor areas of storage or stockpiles to limit their size and manage discharges and adverse effects that may arise. However, the wording of the operative rules has created

issues in the ability to monitor and enforce them and is inefficient. Proposed Rule HI-R4 aims to retain the requirement for areas of storage and stockpiles to comply with the building bulk and location rules but proposes to remove the rest of the operative provisions. Within the HI it is anticipated that there will be outdoor areas of storage and stockpiles. The operative rules are considered to be too restrictive and are not enabling for larger-scale industrial activities. Due to the proposed amendments to the zone boundaries there is minimal risk of removing these rules as the HI will be located much further from sensitive zones than the operative B4 is.

Definition Grouping Activities

39. **Part 1** of this s32 Report discusses the new definitions proposed under Plan Change 88A – J. Many of these new definitions are activity based definitions which have been categorised into ‘definition groupings’. Table 10 below provides an assessment of the plan change option for the proposed HI rules relating to each definition grouping activity and the alternatives considered. **Part 1** of this s32 Report assesses the residential and business capacity enabled through PC88A – J, and the proposed rules across the proposed zones have been assessed as being appropriate in terms of residential and business capacity.

TABLE 10: SECTION 32 ASSESSMENT OF PROPOSED HEAVY INDUSTRIAL ZONE RULES FOR DEFINITION GROUPING ACTIVITIES

Activity	Proposed Plan Change Option	Other Options Considered	Costs of Plan Change Option	Benefits of Plan Change Option
Rural Production Activities				
Farming	Permitted	<ul style="list-style-type: none"> Permit all rural production activities Prohibit all rural production activities 	<ul style="list-style-type: none"> Consenting costs for plantation forestry, intensive livestock farming and farm quarrying. Potential for industrial land to be compromised by rural production activities – however risk is low as rural production activities typically involve buildings that area easily replaced when industrial activities become viable. 	<ul style="list-style-type: none"> Enables farming and seasonal activity to be undertaken on vacant industrial land prior to industrial activities becoming viable on the site. Plantation forestry, intensive livestock farming and farm quarrying activities are unlikely to occur in the HI, therefore there are minimal risks or costs associated with requiring consent. Industrial land supply is protected from plantation forestry, intensive livestock farming and farm quarrying activities which may compromise the future use of the site.
Seasonal Activity				
Plantation forestry	Non-Complying	<ul style="list-style-type: none"> Status quo – permit activities except for intensive livestock farming, animal boarding and offensive trades under the Health Act 1956 which are non-complying 		
Intensive livestock farming				
Farm quarrying				
Industrial Activities				
General Industry	Permitted with a minimum GFA of 7,000m ² and then defaulting to restricted discretionary.	<ul style="list-style-type: none"> Permitted Increased or decreased minimum GFA Default to discretionary where minimum GFA is not complied with 	<ul style="list-style-type: none"> Consenting costs where minimum GFA is not complied with. More enabling for smaller-scale industrial activities than the options of increasing the minimum GFA or defaulting to discretionary. If there is a proliferation of smaller-scale industrial activities, it could cumulatively compromise the land supply for larger-scale industrial activities. 	<ul style="list-style-type: none"> Noxious and larger-scale industrial activities are provided for which is consistent with the LI. Smaller scale industrial activities require consent as they may cumulatively fragment the land supply for larger-scale industrial activities. Reduced consenting costs compared to the options of increasing the minimum GFA or defaulting to discretionary. Restricted discretionary option allows for a specific set of criteria to be assessed rather than full discretion assessment.
Manufacturing and storage				
Repair and maintenance services				
Artisan industrial activities				
Marine industry				
Waste management facility				
Landfill				
Residential Activities				

Residential Activities	Non-Complying	<ul style="list-style-type: none"> Discretionary Prohibited 	<ul style="list-style-type: none"> Consenting costs for any residential activity. Existing residential activities would rely on existing use rights. Non-complying still enables consent to be applied for which could create reverse sensitivity effects. 	<ul style="list-style-type: none"> Manages reverse sensitivity more effectively than status quo or permitted options. Retains land for more appropriate uses. Residential activities are required to locate in more appropriate zones. Non-complying enables residential activities to be applied for as compared to the prohibited option.
Commercial Activities				
Motor Vehicle Sales	Permitted with maximum GFA per site of 100m ² and where it is ancillary to an industrial activity on the site.	<ul style="list-style-type: none"> Permitted with increased GFA limits Restricted Discretionary with a suite of effects based controls such as GFA limits, hours of operation, setbacks from Living Zones, etc. Discretionary or Non-Complying 	<ul style="list-style-type: none"> Consenting costs where rules are not complied with. Existing activities would rely on existing use rights. A proliferation of these activities could have adverse cumulative effects on the industrial land supply. 	<ul style="list-style-type: none"> Plan change option is consistent with the HI objectives in protecting the industrial land supply while providing for a limited range of ancillary activities. Retains HI land for more appropriate activities. More enabling than restricted discretionary, discretionary or non-complying options
Garden Centres				
Trade Supplier				
Marine Retail				
Hire Premise				
General Retail				
Commercial Service	Permitted with a maximum GFA per site of 150m ² and hours of operation limitations.	<ul style="list-style-type: none"> Permitted with no hours of operation restriction Discretionary 		
Food and Beverage Activity				
Service Station	Permitted with a maximum GFA of 50m ² for retail areas	<ul style="list-style-type: none"> Permitted Discretionary 	<ul style="list-style-type: none"> Consenting costs where rules are not complied with. 	<ul style="list-style-type: none"> Plan change option is consistent with the HI objectives in protecting the industrial land supply while providing for a limited range of ancillary activities. More enabling than discretionary option.
Drive Through Facilities	Non-Complying	<ul style="list-style-type: none"> Permitted with effects based controls such as traffic and GFA Discretionary 	<ul style="list-style-type: none"> Consenting costs. Existing activities would rely on existing use rights. 	<ul style="list-style-type: none"> These activities can have adverse effects (including reverse sensitivity). The proposed non-complying activity status with guiding policies allows for assessment at consent stage to ensure nature, scale and design of activity is appropriate with outcomes and objectives of the HI. Protects viability of established commercial centres as these smaller activities would not be encouraged in the HI. Retains HI land for more appropriate activities.
Grocery Stores				
Entertainment Facility				
Visitor Accommodation				
Home Occupation				
Funeral Home				

Community Activities

Emergency Service	Discretionary	<ul style="list-style-type: none"> • Permitted • Non-Complying 	<ul style="list-style-type: none"> • Consenting costs. • Existing activities would rely on existing use rights. 	<ul style="list-style-type: none"> • Retains HI land for more appropriate activities. • More enabling than non-complying option.
Place of Assembly	Non-Complying	<ul style="list-style-type: none"> • Permitted with effects based controls such as GFA limits and hours of operation • Discretionary 		<ul style="list-style-type: none"> • Manages reverse sensitivity. • Retains HI land for more appropriate activities. • Encourages these activities to locate in more appropriate zones. • Protects viability of established commercial centres.
Recreational Facilities				
Care Centre				
Educational Facilities				
Hospitals				

Efficiency and Effectiveness

40. It is considered that the proposed suite of rules for the definition grouping activities are efficient and effective for the following reasons:
- The proposed rules provide a clearer expectation for the community and developers as to what types of activities are anticipated within the HI.
 - The proposed rules are more effective than the status quo in managing adverse effects as the WDP has a minimal level of control of activities.
 - The proposed rules provide for a permitted threshold of activities, in line with the HI objectives, so that consent requirements are not restrictive.

Economic Growth and Employment Opportunities

41. Rules managing the definition grouping activities can have significant effects on economic growth and employment opportunities as they can dictate where certain business sectors can and cannot operate without consent. It is considered that the proposed HI rules provide for an appropriate range of activities to enable growth and employment while also protecting the amenity and character of the environment and adjacent zones.
42. As demonstrated in **Part 1** of this s32 Report an assessment of capacity for various business sectors has identified that sufficient capacity has been provided across the District.

Risk of Acting and Not Acting if there is Uncertain or Insufficient Information

43. There is no known risk due to insufficient information.

Conclusion

44. It is considered that the proposed plan change provisions to manage activities in the HI are appropriate.

Subdivision

45. The WDP provides for subdivision in the B4 as a controlled activity where the net site area is at least 1000m² and the minimum site frontage is 24m, or 48m in the case of a corner site.
46. The HI proposes to remove the minimum frontage requirement and to increase the minimum site size to 8,000m². The subdivision rules are proposed to be located in the proposed Subdivision Chapter (see Plan Change 148), but have been assessed within this part of the s32 report.
47. A number of alternatives have been evaluated in relation to subdivision in the HI. The first option is to have no provisions, with all subdivision being permitted. This option is considered inappropriate as access and servicing arrangements would not be evaluated by Council and allotments could potentially be created that could not be built on. Another option was to require discretionary or restricted discretionary consent for all subdivision in the HI. However, this is considered to be overly restrictive and not proportional to the effects being managed.

48. The status quo minimum frontage requirements are not considered effective or efficient in achieving the proposed HI objectives and are therefore not considered appropriate to retain.
49. A range of minimum site sizes were considered. In formulating the proposed minimum, the existing site sizes within the proposed HI zoning were reviewed. The average site size throughout the proposed HI was calculated as being 4.7ha and the median site size was calculated as being 1.1ha. The calculation of the average and median site sizes did not include any sites that are subject to a designation or the Marsden Point Oil Refinery Overlay. A desk top assessment was also undertaken to review approximate sizes required for typical noxious and larger-scale industrial activities. As a result of this assessment, it is considered that 8,000m² is an appropriate minimum site size based on the existing site size pattern within the HI and the land area required for these activities.
50. Increasing the minimum from 1,000m² to 8,000m² is considered to be an effective method in achieving the proposed HI objectives which seek to protect the land supply for future larger-scale industrial activities. There are additional consenting costs associated with increasing the minimum site size but the benefits of managing land fragmentation are considered to outweigh the costs. Therefore, the proposed provision is considered appropriate in terms of s32.

5. Conclusion

51. Pursuant to s32 of the RMA, the proposed HI objectives have been analysed against Part 2 of the RMA and the relevant provisions of higher order plans and policy documents. It is considered that the proposed objectives are the most appropriate way to achieve the purpose of the RMA.
52. The proposed provisions have been detailed and compared against viable alternatives in terms of their costs, benefits, efficiency and effectiveness and risk in accordance with the relevant clauses of s32 of the RMA. The proposed provisions are considered to represent the most appropriate means of achieving the proposed objectives and of addressing the underlying resource management issues relating to heavy industrial activities and areas within Whangarei.