



Southland District Council

Proposed Plan Change 5

Te Anau Industrial Resource Area Expansion

Section 32 Report



RESOURCE MANAGEMENT ACT 1991 - SECTION 32 REPORT

Proposed Te Anau Plan Change - Industrial Resource Area Expansion

EXECUTIVE SUMMARY

The resource management section of the Southland District Council's Long Term Council Community Annual Plan 2006-2016 lists several District Plan projects as key issues. One of these key issues is the Te Anau Growth Planning Project. The Council is seeking to provide a more coordinated approach to emerging environmental issues and growth pressures in the Te Anau Basin. A large number of existing properties in the Te Anau Industrial Resource Area have been developed and are occupied by a range of businesses. This high occupancy rate has meant that land available for further industrial development is limited. Another indicator of industrial growth in Te Anau is the number of resource consent applications processed for this type of land use in recent years. A number of resource consent applications for industrial development in areas outside the existing Industrial Resource Area have been processed. The Council has also noted an increase in the number of compliance issues associated with un-consented industrial activities being undertaken in resource areas where they are not permitted.

In addressing these issues, the following options have been considered under Section 32 of the Resource Management Act 1991 (the Act):

- Retain status quo - make no change to the provisions of the District Plan
- Locate a new Industrial Resource Area elsewhere in Te Anau
- Expand the existing Industrial Resource Area

This report concludes that the most appropriate option available is an expansion of the existing Te Anau Industrial Resource Area. Providing an additional area for industrial activity will ensure that there is capacity for current demand as well as providing a suitable area for future industrial growth in Te Anau.

TABLE OF CONTENTS

1.	<u>INTRODUCTION</u>	
1.1	Purpose of this Report	3
1.2	Background	3
1.3	Reasons for the Plan Change	4
1.4	The Site	5
2.	<u>EXPLORATION OF ISSUES AND OPTIONS</u>	
2.1	Issues	6
2.2	Options	10
3.	<u>PUBLIC CONSULTATION</u>	10
4.	<u>THE RESOURCE MANAGEMENT ACT 1991</u>	
4.1	Part Two - Purposes and Principles	11
4.2	Section 32	13
5.	<u>SECTION 32 EVALUATION</u>	
5.1	District Plan Objectives	14
6.	<u>ANALYSIS: ASSESSMENT OF ALTERNATIVES</u>	
6.1	Section 32 Analysis Conclusions	15
6.2	Retain Status Quo - Make no change to the District Plan	17
6.3	Locate a new Industrial Resource Area elsewhere in Te Anau	19
6.4	Expand the existing Industrial Resource Area	21
7.	<u>AMENDMENTS TO THE DISTRICT PLAN</u>	22
8.	<u>RISK OF ACTING / NOT ACTING</u>	23
9.	<u>FINAL COMMENTS / CONCLUSION</u>	23
10.	<u>APPENDICES</u>	24
	Appendix 1 - Aerial Photograph (2008) of Existing Te Anau Industrial Resource Area and Proposed Industrial Resource Area Expansion	
	Appendix 2 - Aerial Photograph (2008) of Existing Industrial Resource Area With Vacant Land Parcels Highlighted	
	Appendix 3 - Scheme Plans of Approved Heliport Development	
	Appendix 4 - Scheme Plan of Approved Wickham Development	
	Appendix 5 - Environment Southland Comments on Potential Flood Hazard	
	Appendix 6 - District Plan Map 59 with Proposed Industrial Resource Area Expansion Highlighted (A3)	
	Appendix 7 - Amended District Plan Map 59 (A3)	
	Appendix 8 - Industrial Resource Areas - Provisions of Existing District Plan	
	Appendix 9 - Scheme Plan of Approved Southland District Council Subdivision	

1. INTRODUCTION

1.1 Purpose of this Report

This report investigates the merits of undertaking a Plan Change to the Operative Southland District Plan (the District Plan) involving an expansion of the existing Te Anau Industrial Resource Area. This report summarises the evaluation that has been carried out by the Southland District Council pursuant to Section 32 of the Resource Management Act 1991.

1.2 Background

Te Anau

Te Anau is a town in Southland located on State Highway 94 between Lumsden and Milford Sound. Te Anau is located approximately 150 km north-east, by road, of Invercargill and is at the southern end of Lake Te Anau. Te Anau is a town with a current resident population of 1,899 people, based on 2006 census data.



MAP 1 TE ANAU

Current Provisions - Southland District Plan

Under the Southland District Plan (2001) Te Anau has one existing Industrial Resource Area which is approximately 26 hectares in size. Within the Industrial Resource Area industrial activities subject to compliance with specific performance standards for example height, yard set backs, noise and signage requirements are permitted activities. The District Plan recognises that industrial activities can generate adverse environmental impacts which are not compatible with other activities for example residential activity.

Adverse effects that can arise from industrial activity include those that can arise from high levels of heavy vehicle traffic, noise from industrial processes and the visual effects of large industrial buildings. As such the District Plan has defined a specific Industrial Resource Area where industrial activity can occur without generating adverse environmental impacts on adjoining resource areas and activities.

Council’s Position on Possible Te Anau Plan Changes

The Southland District Council’s Long-Term Council Community Plan 2006-2016 details a number of District Plan projects relating to possible changes to the District Plan. One of these projects is the Te Anau Growth Planning project. The proposed Industrial Resource Area expansion Plan Change is one of the proposed Plan Changes identified as part of the Te Anau Growth Planning project. Table 1 shows the steps that Council has taken to date in relation to the Te Anau Industrial Resource Area Plan Change.

TABLE 1 - PROGRESS ON THE TE ANAU INDUSTRIAL RESOURCE AREA EXPANSION

Year	Action Taken
Pre 2007	The Te Anau Community Board and the Southland District Council have been discussing for some time options for possible changes to the District Plan in order to provide for a more proactive response to growth management issues within the Te Anau Basin.
2007	A series of workshops were held between Te Anau Community Board members and key Council staff, and these workshops then progressed to a series of key concepts that were presented as <u>possible</u> Plan Changes to the Te Anau Community at two meetings held on 30 May 2007 and 26 September 2007.
June 2008	A discussion document entitled “Possible Te Anau Plan Changes” was sent out to the local community. Over 240 responses to the discussion document were received.
September 2008	The Te Anau Community Board resolved <u>to proceed</u> with the possible Industrial Resource Area expansion Plan Change and also resolved to proceed with two other possible Plan Changes. These related to a new Lakeside Protection Area, and an expanded Urban Resource Area.

1.3 Reasons for the Plan Change

The proposed Industrial Resource Area expansion Plan Change is being investigated for a number of reasons and these include the following;

- The Council has recognised a need to manage growth in Te Anau more proactively. The levels of growth and development that have occurred in the Te Anau Basin had not been envisaged at the time the existing District Plan was formulated. Te Anau’s existing Industrial Resource Area has a high occupancy rate and additional land for Industrial land use is needed to provide for current and future industrial and commercial growth.

- On 30 August 2007, the Southland District Council granted subdivision and land use resource consents to Mr RBL Wickham for a 39 allotment development at 106 Sandy Brown Road and 42 Blatch Road, Te Anau. The land use consent provided for industrial and potentially also some commercial development on the newly formed lots. The granting of resource consent for the Wickham Subdivision (2007/122) can be seen as a reflection of the suitability of the area for industrial development. Hence this Plan Change seeks to align the zoning of the area with the consented development.
- In addition to the approved Wickham development an existing industrial business already operates within the area of the proposed Industrial Resource Area expansion. A contracting business operates from the northern most property. The contracting business obtained resource consent in 2001 (2001/261) to operate from the site. A helicopter helipad operation has also obtained resource consent (2006/085) to establish and operate on a newly created lot on the southern most property. When considered along with the approved Wickham subdivision, the proposed Plan Change can be viewed as consolidating an established pattern of industrial development in the area.

The reasons for the Plan Change are discussed in more detail in Section 2.1 'Issues' of this report

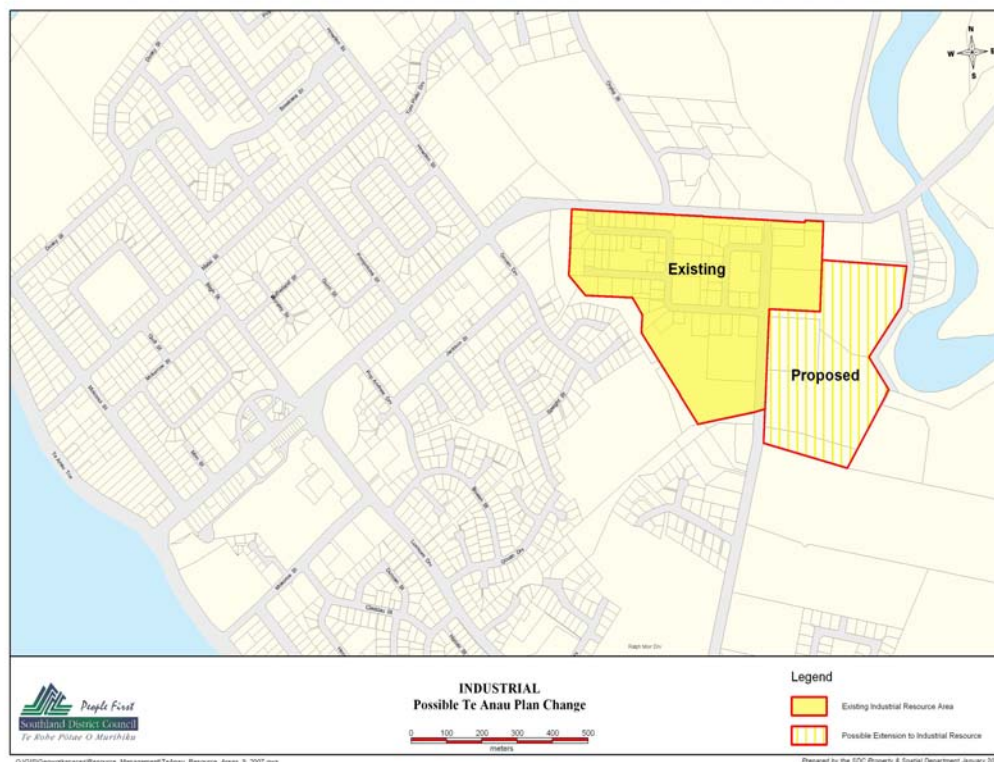
1.4 The Site

Te Anau's existing Industrial Resource Area is situated on the eastern edge of the township on the southern side of State Highway 94 (the Te Anau Milford Highway). The existing Industrial Resource Area is formed of properties fronting Snodgrass Road, Caswell Street, Captain Roberts Road and Sandy Brown Road. The proposed Industrial Resource Area expansion would be located to the east of the existing Industrial area towards the Upukerora River on land situated on the opposite side of Sandy Brown Road. The area of land that it is proposed to expand the Industrial Resource Area on is currently situated within the Plains Rural Resource Area and is made up of three separate lots with a total area of approximately 13.4 hectares.

The two southern most properties that this Plan Change incorporates have had two subdivision applications approved in 2006 and 2007 (2006/85 and 2007/122). An application for changes to the conditions of these two resource consents has also recently been approved (2009/025). The legal descriptions of the land proposed to be included in the expanded Industrial Resource Area are detailed below. These were the legal descriptions at the time this report was written.

The land is legally described as follows:

- Lot 149 DP 364806 (CT SL 263006) - 6.4365 ha
- Lot 1 DP 10913 (CT SL 10B/248) - 2.0091 ha
(Both lots owned by Te Anau Industrial and Commercial Park Limited)
- Lot 1 DP 306215 (CT 24471) - 4.9923 ha
(owned by Carran Scott Contracting Limited)



MAP 2: EXISTING TE ANAU INDUSTRIAL RESOURCE AREA AND PROPOSED INDUSTRIAL RESOURCE AREA EXPANSION

2. EXPLORATION OF ISSUES AND OPTIONS

2.1 Issues

1) Te Anau Growth

Te Anau in recent years has experienced a period of growth and development pressure, with the town increasingly being recognised as a desirable holiday and lifestyle destination. There has been a significant amount of residential subdivision in the Te Anau area in the last ten years, with approximately 1,000 new allotments being created. There has also been a significant amount of growth in the industrial sector of the town. Some of the industrial growth that has occurred is likely to be related to the high levels of residential growth.

In 2001, Statistics New Zealand defined the Te Anau area as having “very high growth” - more than 3% per annum. The term “very high growth” is based on the projected increase in population percentage. Statistics New Zealand forecast a population increase of 2,031 people in the 25 year period 2001 - 2026 (see Table 2). In 2006 the population of Te Anau was 1,899 (see Table 4). With these expected levels of growth it is anticipated that in the future there is likely to be demand for additional Industrial Resource Area land where industrial activities can take place.

TABLE 2 - ESTIMATED POPULATION OF SOUTHLAND COMMUNITIES - SOURCE STATISTICS NEW ZEALAND

Year	Population (Usually Resident)							% Change		
	1996	2001	2006	2011	2016	2021	2026	96-01	01-16	01-26
Very High Growth (3% pa)										
Colac Bay	177	150	174	202	234	271	314	-15%	56%	109%
Manapouri	216	240	278	323	374	433	503	11%	56%	110%
Orepuki	102	84	97	113	131	152	176	-18%	56%	110%
Stewart Island	414	384	445	516	598	694	804	-7%	56%	109%
Te Anau	1,782	1,857	2,153	2,496	2,893	3,354	3,888	4%	56%	109%
High Growth (2.25% pa)										
Athol	81	63	70	79	88	98	110	-22%	40%	75%
Garston	87	60	67	75	84	94	105	-31%	40%	75%
Fortrose	63	54	60	67	75	84	94	-14%	39%	74%
Riverton	1,830	1,656	1,851	2,069	2,312	2,584	2,888	-10%	40%	74%
Waikawa/Curio Bay	96	120	134	150	168	187	209	25%	40%	74%
Low Growth (0.75% pa)										
Browns	93	108	112	116	121	125	130	16%	12%	20%
Edendale	567	570	592	614	638	662	687	1%	12%	21%
Limehills/Centre Bush	207	228	237	246	255	265	275	10%	12%	21%
Mossburn	276	243	252	262	272	282	293	-12%	12%	21%
Tokanui	171	174	181	187	195	202	210	2%	12%	21%
Tuatapere	741	681	707	734	762	791	821	-8%	12%	21%
Waikaia	81	93	97	100	104	108	112	15%	12%	20%
Winton	2,190	2,100	2,180	2,263	2,349	2,438	2,531	-4%	12%	21%
No Growth (0% pa)										
Dipton	156	156	155	155	155	155	155	0%	-1%	-1%
Gorge Road (CDA)	525	465	465	465	465	465	465	-11%	0%	0%
Riversdale	366	363	365	365	365	365	365	-1%	1%	1%
Wallacetown	681	627	625	625	625	625	625	-8%	0%	0%
Wyndham	636	573	575	575	575	575	575	-10%	0%	0%
Negative Growth (-0.75% to -1.5% pa)										
Balfour	138	138	133	128	123	119	114	0%	-11%	-17%
Lumsden	504	453	436	420	405	390	375	-10%	-11%	-17%
Otautau	813	729	702	676	651	627	604	-10%	-11%	-17%
Thornbury	84	72	69	67	64	62	60	-14%	-11%	-17%
Woodlands	297	279	269	259	249	240	231	-6%	-11%	-17%
Nightcaps	396	342	317	294	273	253	234	-14%	-20%	-32%
Ohai	513	399	370	343	318	295	273	-22%	-20%	-32%

TABLE 3 - CHANGE IN POPULATION FOR SELECTED SOUTHLAND TOWNS - SOURCE STATISTICS NEW ZEALAND CENSUS 2006

Area	Population				Occupied Dwellings			
	2001	2006	change	percentage change	2001	2006	change	percentage change
Stewart Island	384	402	18	5%	210	228	18	9%
Te Anau	1857	1899	42	2%	711	744	33	5%
Lumsden	453	411	-42	-9%	174	180	6	3%
Manapouri	240	306	66	28%	99	102	3	3%
Winton	2100	2088	-12	-1%	894	918	24	3%
Southland District	28716	28440	-276	-1%	10,755	10,911	156	1%
Southland Region	91008	90876	-132	0%	35,426	35,547	121	0%

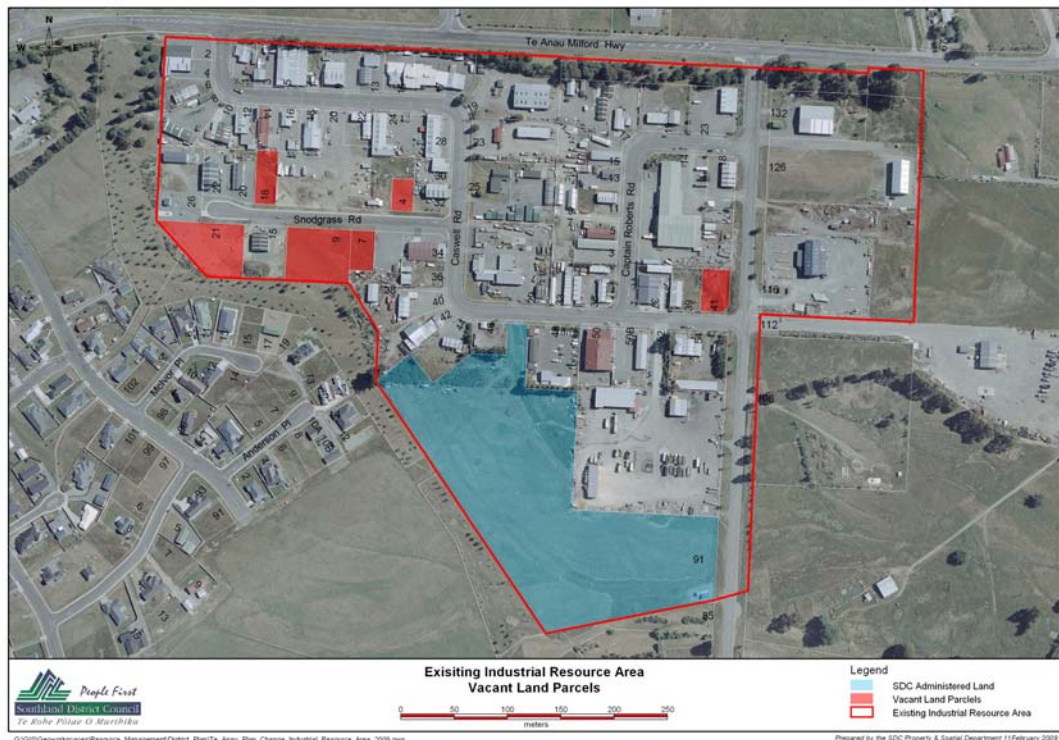
2) Occupancy Levels of Industrial Resource Area

The existing Te Anau Industrial Resource Area has a high level of occupancy with most properties currently in industrial use. The high occupancy rate is clearly demonstrated in the 2008 aerial photograph of the area detailed below (a larger copy of this photograph is attached in Appendix 4).

There are 69 properties in total within the existing Industrial Resource Area with a visual analysis of 2008 aerial photographs revealing that 62 of these properties are currently occupied. The percentage of properties with buildings located on them is approximately 90%. The presence of buildings has been taken as an indication that properties are being used for Industrial use although potentially some of these buildings could currently be vacant. In spite of this, visual analysis of the aerial photograph provides a strong indication of high occupancy levels in the existing Industrial Resource Area.

In relation to the vacant properties within the Industrial Resource Area five of them are located on Snodgrass Road and one is situated on Caswell Road. There is also a larger vacant area of land which is owned by the Southland District Council. A resource consent application for a new industrial subdivision development on this Council owned land has recently been approved (see Appendix 9 for scheme plan of approved subdivision). The Southland District Council Industrial Subdivision at 91 Sandy Brown Road Te Anau (Resource Consent 09/167) was approved on the 24 July 2009. This subdivision provides for an additional 19 industrial lots ranging in area between 790 and 3945 square metres in area. All of the new lots are situated within the existing Industrial Resource Area and would be located on the land shown in blue on the aerial photograph in Appendix 2. While the approval of this development potentially provides for additional industrial land use capacity in Te Anau, there is still considered to be a need for an expanded Industrial Resource Area.

The six vacant properties in the Industrial Resource Area, along with the larger Council owned area of land are all appropriately zoned for industrial development. As such there is some capacity for further industrial development in the existing Industrial Resource Area. Decisions relating to the development of these properties however, rest with the property owners and as such it cannot be assumed that they will be developed. Other factors may also influence the suitability of these properties for development including their size and location. Factors such as expected population growth and the increased levels of industrial development occurring in other resource areas indicate that the remaining capacity of the Industrial Resource Area will not be sufficient to cater for future growth. As such it is considered that there is a need for additional areas of land in Te Anau to cater for future industrial development.



MAP 3 AERIAL PHOTOGRAPH (2008) OF TE ANAU INDUSTRIAL RESOURCE AREA

3) Development Pressure

As already noted above industrial development in Te Anau over the lifetime of the existing District Plan has taken place in a number of areas that sit outside the town's existing Industrial Resource Area. The establishment of contractor and heliport business in the area of the proposed industrial expansion are examples of this. The establishment of industrial land uses outside the existing Industrial Resource Area can be seen as evidence of a trend of increasing industrial development in Te Anau. Increased levels of industrial development along with the high occupancy rate of the existing Industrial Resource Area are key factors that are influencing where industrial land use is taking place.

The Resource Management Department of Council has recently had to address non-compliance issues related to industrial businesses operating in residential or rural areas of Te Anau. One issue that has arisen from this is that some businesses have indicated that it is difficult to find suitably zoned land for their industrial operations in the township. This gives rise to situations where industrial activities take place in unsuitable locations within Urban and Rural Resource Areas. An expanded Industrial Resource Area would provide additional land for industrial use and could help reduce amenity conflicts between residential and industrial activities.

4) Residential and Rural/Residential Development

There has been a significant amount of residential and rural/residential development in and around Te Anau in recent years. The land area the town covers has expanded and land use patterns on the urban fringe of the township have changed. Residential subdivision development has resulted in the formation of approximately 1000 new residential lots in and around the township. As a result a large amount of land that was previously in agricultural production is now urban in nature. As the land area covered by residential land uses has increased the amount of land available and suitable for industrial use has decreased.

It is therefore important that suitable areas for industrial use are established to cater for future industrial growth. There is a need for the District Plan to adequately provide for industrial development. Industrial business operations provide important goods and services for the local community. The economic benefits of an expanded Industrial Resource Area such as those associated with employment opportunities are also a relevant in considering this resource management issue.

2.2 Options

Options are:

- Retain status quo - make no change to the District Plan
- Expand the existing Industrial Resource Area
- Establish a new Industrial Resource Area in another part of Te Anau

(1) **Retain status quo - Make no change to the provisions of the District Plan**

This option would retain the existing situation with no extension to the existing Industrial Resource Area and no new Industrial Resource Area created elsewhere in Te Anau.

(2) **Expand the existing Industrial Resource Area**

This option would involve extending the existing Industrial Resource Area onto adjacent land which is currently situated within the Plains Rural Resource Area. If this area was zoned as Industrial Resource Area industrial land uses could be undertaken as of right. Any industrial development would still need to adhere to the relevant performance standards of the Industrial Resource Area as detailed in the existing District Plan.

(3) **Establish a new Industrial Resource Area in another part of Te Anau**

This option would involve the establishment of a new Industrial Resource Area elsewhere in Te Anau. This new area would be located within either the Urban Resource Area, Scenic Resource Area, Transitional Resource Area or Plains Rural Resource Area. Potentially it could involve an area of land covered by a combination of these existing resource areas.

3. **PUBLIC CONSULTATION**

This report has been prepared in consultation with the Te Anau Community Board. Two public meetings have been held and a discussion document was released. The discussion document included a section detailing the proposed Industrial Area expansion. Over 240 responses to the discussion document were received by the Council, including responses from Environment Southland, the Department of Conservation and Te Ao Mārama Incorporated (on behalf of local Iwi). A meeting discussing the Plan Change has also been held with a staff member of the New Zealand Transport Agency.

In accordance with the provisions of the First Schedule of the Resource Management Act 1991, and following previous consultation with the agencies specified in Clause 3 of the First Schedule, Council has served a copy of this proposed Plan Change to the following agencies:

- The Minister for the Environment
- The Minister of Conservation
- New Zealand Transport Agency
- The Southland Regional Council (Environment Southland)
- The local authorities which adjoin the Southland District Council, being
 - Central Otago District Council,
 - Clutha District Council,
 - Gore District Council,
 - Invercargill City Council,
 - Queenstown Lakes District Council, and
 - Westland District Council
- The tāngata whenua of the area, through Te Rūnanga o Ngāi Tahu (iwi authority) and Te Ao Mārama Inc (the agency authorised to represent Te Rūnaka o Awarua, Hokonui Rūnanga, Ōraka/Aparima Rūnaka, Waihōpai Rūnaka

It may not be possible to specifically consult with all those people who may be affected by this possible Plan Change. However, if proceeded with, this Plan Change will be publicly notified for public response through the submission and further submission (and appeal) process. It is emphasised that any person is entitled to make a submission on a Plan Change, and such submissions will be given all due consideration in the context of the statutory process provided for in the First Schedule of the Act.

4. THE RESOURCE MANAGEMENT ACT 1991

This Plan Change is being prepared in accordance with the Resource Management Act 1991. Key provisions of the Act are the purpose and principles along with Section 32 which relates to the “Consideration of alternatives, benefits and costs.” This Plan Change is considered to be consistent with the purpose of the Act, which is to promote the sustainable management of natural and physical resources.

4.1 Part Two - Purpose and Principles

The purpose of the Act is to promote the sustainable management of natural and physical resources and this is prescribed in Section 5 of the Act, which reads as follows:

“In this Act, “sustainable management” means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural wellbeing and for their health and safety while-

- (a) *Sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and*

- (b) *Safeguarding the life-supporting capacity of air, water, soil and ecosystems; and*
- (c) *Avoiding, remedying, or mitigating any adverse effects of activities on the environment.”*

The proposed Plan Change is considered to be consistent with the purpose of the Act. By extending the existing Industrial Resource Area the proposed Plan Change is managing development in such a way and at a rate that the community can provide for its future social and economic wellbeing.

Sections 6, 7 and 8 detail matters that need to be considered in achieving the purpose of the Act. The most relevant matters are as follows:

Section 6 of the Act states:

“In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall recognise and provide for the following matters of national importance -

- (a) *The preservation of the natural character of the coastal environment (including the coastal marine area), wetlands and lakes and rivers and their margins, and the protection of them from inappropriate subdivision, use, and development.*
- (b) *The protection of outstanding natural feature and landscapes from inappropriate subdivision, use, and development.*
- (c) *The protection of areas of significant indigenous vegetation and significant indigenous habitats of indigenous fauna:*
- (d) *The maintenance and enhancement of public access to and along the coastal marine area, lakes, and rivers:*
- (e) *The relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga.*
- (f) *The protection of historic heritage from inappropriate subdivision, use and development.*
- (g) *The protection of recognised customary activities.*

Section 6 identifies matters of national importance and none of the matters listed above are considered relevant to the proposed Industrial Resource Area expansion.

Section 7 of the Act states:

“In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall have particular regard to-

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

The proposed Plan Change relates to an area of land that is located adjacent to an existing Industrial Resource Area. The area of the proposed Plan Change has had two industrial land use activities approved by way of resource consent applications. In addition a large industrial and commercial subdivision and land use development has also obtained resource consent approval in the area of the proposed industrial expansion. As such the rezoning of this land is considered to be an efficient use of natural and physical resources, which recognises recent resource consent application decisions and existing land use activities.

The amenity values of the area of the proposed Plan Change are currently influenced by the existing industrial land use that is already established, as well as the industrial land use activities occurring in the existing Industrial Resource Area. It is considered that the proposed Plan Change would maintain the amenity values of the area.

The proposed Plan Change is considered consistent with Section 7 (f) of the Act. An expansion of the existing Industrial Resource Area of Te Anau would be a logical extension that would ensure that industrial development in the township is undertaken in a comprehensive manner that maintains the quality of the surrounding environment.

Section 8 of the Act states:

"In achieving the purpose of this Act, all persons exercising functions and powers under it, in relation to managing the use, development, and protection of natural and physical resources, shall take into account the principles of the Treaty of Waitangi (Te Tiriti o Waitangi).

The site of the proposed Industrial Resource Area expansion is located in close proximity to the Upukerora River which flows into Lake Te Anau. Te Ana-au (Lake Te Anau) is an area of the Southland District which is subject to a statutory acknowledgement under the Ngāi Tahu Claims Settlement Act 1998. The proposed Industrial Resource Area Plan Change process will enable the Council to take into account the principles of the Treaty of Waitangi and will also allow for consultation with Ngāi Tahu to occur in regard to this statutory acknowledgement.

4.2 Section 32

Section 32(1) of the Act requires that before a proposed Plan Change is publicly notified, an evaluation must be carried out by the local authority with respect to the Plan Change.

Section 32(3) states that:

"An evaluation must examine-

- (a) the extent to which each objective is the most appropriate way to achieve the purpose of the Act; and*
- (b) whether, having regard to their efficiency and effectiveness, the policies, rules, or other methods are the most appropriate for achieving the objectives."*

Section 32(4) requires that:

“For the purposes of this examination, an evaluation must take into account-

- (a) the benefits and costs of policies, rules, or other methods; and*
- (b) the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the policies, rules, or other methods.”*

Section 32(5) requires the person carrying out the evaluation to prepare a report summarising the evaluation and giving reasons for that evaluation. Section 32(6) requires the report be available for public inspection at the same time as the Plan Change to which the report relates is publicly notified.

Prior to notifying a Plan Change, the Council has a statutory duty to prepare a Section 32 Analysis. The Southland District Council’s main task under the RMA is to decide how to address environmental issues. In preparing Plan Changes, Section 32 requires consideration of alternative ways to achieve the environmental outcomes being sought. Section 32 essentially tests to determine the most appropriate means, and the appropriateness of any selected methods.

It assists in rationalising why changes are needed and formalises a process for determining how best to address environmental issues. This may be through a variety of alternatives of which rules can be just one option.

The Section 32 requirements apply to the preparation of regional and district plans, Plan Changes, variations, policy statements and reviews. Following a 2003 amendment to the Resource Management Act, the requirements of Section 32 also apply to any person who has made a request for a private Plan Change. This report fulfils Council’s Section 32 obligations.

5. SECTION 32 EVALUATION

5.1 District Plan Objectives

In addition to achieving the purpose of the Resource Management Act 1991, a Plan Change must also achieve the objectives and policies of the District Plan. The relevant objectives and policies, as specified in the District Plan are attached in Appendix 8. The proposed Plan Change is considered necessary to achieve the attached objectives and policies of the District Plan.

6. ANALYSIS: ASSESSMENT OF ALTERNATIVES

6.1 Section 32 Analysis Conclusions

Table 7 below assesses each option listed in Section 2.2 against the issues listed in Section 2.1. Depending on the extent to which the option addresses each issue it is given one of scores listed below.

- 1 Will significantly exacerbate the issue
- 0.5 Will exacerbate the issue to some extent
- 0 Will have no effect on the issue
- 0.5 Will address the issue to some extent
- 1 Will significantly address the issue

Issues	Options		
	1) Status Quo - Make No Change	2) Expand Existing Industrial Resource Area	3) Establish a New Industrial Resource Area Elsewhere
1) High Occupancy Levels of Existing Industrial Resource Area	-0.5	1	1
2) Population Growth and Industrial and Development Pressure	-0.5	1	1
3) Potential Shortage of Suitable Land Available for Industrial Development due to Increased Levels of Residential Growth	-0.5	1	0.5
4) Industrial Development Occurring in Other Resource Areas	-0.5	1	0.5
TOTAL SCORE	-2	4	3

TABLE 4 EVALUATION OF EACH OPTION AGAINST EACH ISSUE

The following tables 5, 6 and 7 undertake a more detailed evaluation of each of the 3 options. This evaluation follows the requirements set out in Section 32 of the Act. The tables give a assessment on the appropriateness of each option in achieving the purpose of the Act as required under Section 32 (3) (a) of the Act. The purpose of the Act is “to promote the sustainable management of natural and physical resources”.

The tables then assess the options against the existing objectives of the District Plan, to determine whether they are efficient or effective, as required by Section 32 (3) (b) of the Act.

The benefits and costs of each option have then been evaluated, as required by Section 32 (4) (a) of the Act. The benefits and costs have been divided up into three areas; environmental, economic and social. Then the net environmental benefits are calculated by subtracting the environmental costs from the environmental benefits. Likewise, the net social and economic costs are calculated by subtracting the social and economic benefits from the social and economic costs.

Finally, the efficiency of the option is assessed, as also required by Section 32 (3) (b) of the Act. An assessment is made of each option as to whether it will achieve the environmental outcome at the least overall cost. This is done by comparing the net environmental benefits with the net social and economic costs.

The desired environmental outcome of the proposed Plan Change is the accommodation of industrial development pressure in Te Anau.

6.2 Status Quo - Make No Change to the District Plan

OPTION	1 - Status Quo
RMA purpose: promote the sustainable management of natural and physical resources	
<p>Appropriateness: Is this option the most appropriate way to achieve the purpose of the RMA?</p>	<p>Inappropriate: In terms of enabling future industrial growth in Te Anau and accommodating existing development pressure the existing provisions of the District Plan can be viewed as only partially achieving the purpose of the Act. Increased levels of industrial development in Te Anau have resulted in increased demand for land suitable for industrial use. Retaining the status quo would not provide for the increased levels of industrial development that have and are occurring. The occupancy levels of the existing Industrial Resource Area are very high (approximately 90%) and there is limited capacity for further development. Retaining the area of the proposed industrial expansion as Plains Rural Resource Area would result in the loss of an opportunity for additional industrial land use capacity to be established. Retaining the status quo would not promote the sustainable management of natural and physical resources.</p>
<p>The following current Southland District Plains Rural Resource Area objectives which will be retained for the area of the Industrial Resource Area expansion if Option 1 (Status Quo) is chosen:</p> <p><u>Objective RU.1</u> - To provide a management framework for the rural environment that promotes the sustainable management of resources within the District.</p> <p><u>Objective RU.2</u> - To maintain the quality of the District's water and soil resource to enable it to meet the needs of future generations.</p> <p><u>Objective RU.3</u> - To recognise the values of the District's outstanding landscape and significant indigenous habitats and ecosystems within the management framework.</p> <p><u>Objective RU.4</u> - To maintain where practicable and efficient, the amenity values of the rural environment.</p> <p><u>Objective RU.5</u> - To promote that land users and communities adopt a stewardship approach to resource management.</p> <p><u>Objective RU.6</u> - To establish a monitoring framework which will measure the effectiveness of this section.</p>	
<p>Effectiveness of the option achieving the relevant objectives in Southland District Plan (listed above).</p>	<p>Ineffective: This option may give rise to a shortage of land for industrial development. This option may contribute to an increase in nuisance issues as industrial land uses establish in Urban and Rural Resource Areas elsewhere due to a shortage of suitably zoned land. Industrial land use already exists in the area the proposed Plan Change relates to and resource consent for further industrial development has been granted by the Council. The use of the land for rural activities as currently provided for in the District Plan would not be the most efficient use of the area. There is extensive capacity for rural activities in the Te Anau Basin outside the area of the proposed industrial expansion.</p>
<p>Environmental Benefits</p>	<ul style="list-style-type: none"> Retention of existing rural amenity of the parts of the area of the proposed Industrial Resource Area extension that have not already been developed.
<p>Environmental Costs</p>	<ul style="list-style-type: none"> Potential increase in nuisance and residential amenity issues arising as industrial development occurs in different parts of Te Anau Township and out lying areas. Potential impacts on prominent local landscapes from inappropriately located industrial development.

Net Environmental Benefit	Negative - there is a high possibility that amenity values of the rural and urban resource areas of Te Anau will be compromised.
Economic Benefits	<ul style="list-style-type: none"> • Potential benefit to property owners from increased property values for Industrial Resource Area land due to scarcity. • Plan Change costs for Council and ratepayers avoided.
Economic Costs	<ul style="list-style-type: none"> • Potentially higher costs for property buyers for existing Industrial Resource Area land. • Possibly fewer employment opportunities. • Costs for developers from having to go through the resource consent or Plan Change process to establish industrial uses and development. These processes will need to be worked through where industrial development is proposed in resource areas other than industrial as these activities are not permitted in these areas by existing District Plan provisions.
Social Benefits	<ul style="list-style-type: none"> • Consolidation of existing Industrial Resource Area as remaining properties within area are more likely to be developed due to a shortage of adequately zoned land. Easier access to goods and services for local community.
Social Costs	<ul style="list-style-type: none"> • Possibly fewer employment opportunities. • Over longer timeframes fragmented industrial development in and around Te Anau. • Increased distances between industrial operations and the urban areas of Te Anau giving rise to increased travel times.
Net Social and Economic Cost	Negative - The social and economic costs of maintaining the status quo outweigh the benefits.
Efficiency = Net environmental benefits minus net social and economic costs.	Inefficient - The desired environmental outcome of accommodating industrial development pressure in Te Anau is not achieved.

Table 5 - Evaluation of Option 1

This option achieved the lowest score (-2) in Table 4 and does not achieve the desired environmental outcome of accommodating industrial development pressure in Te Anau. This method is not regarded as the most effective or efficient method of achieving the purpose of the Act.

6.3 Expand existing Industrial Resource Area

OPTION	2.1 - Expand the existing Industrial Resource Area	
RMA purpose: promote the sustainable management of natural and physical resources		
<p>Appropriateness: Is the option the most appropriate way to achieve the purpose of the RMA?</p>	<p>Appropriate: Expanding the existing Industrial Resource Area would enable the Council to provide for increased levels of industrial development in Te Anau. The land area that it is proposed to expand the Industrial Resource Area on is considered to be the most appropriate location in terms of controlling the environmental effects of industrial development. An expanded Industrial Resource Area is considered to be the best option for delivering desired outcomes for both developers and the local community. This option would promote the sustainable management of natural and physical resources and is considered to be consistent with the purpose of the Act.</p>	
<p>The following current Southland District Plains Rural Resource Area objectives which will be retained for the area of the Industrial Resource Area expansion if Option 2 (Expansion of the existing Industrial Resource Area) is chosen:</p> <p><u>Objective IND.1</u> - To manage the industrial resource areas <u>in a way that avoids, remedies or mitigates any adverse effects industrial activities have on</u> the amenity values of adjoining resource areas and activities.</p> <p><u>Objective IND.2</u> - To work towards achieving a situation where the need for an industrial resource area becomes obsolete.</p>		
<p>Effectiveness of the option achieving the relevant objectives in Southland District Plan (listed above).</p>	<p>Effective: Identifies an area of land where industrial development can take place while also enabling the application of appropriate performance standards which future industrial use will have to adhere to. This option would enable industrial resource areas to be managed in a way that avoids, remedies and mitigates the adverse effects industrial activities can have on the amenity values of adjoining resource areas and activities. This option is likely to reduce potential adverse effects on the environment from the establishment of industrial land uses in other resource areas and is considered to be the most effective option for achieving the objectives of the Southland District Plan.</p>	
<p>Environmental Benefits</p>	<ul style="list-style-type: none"> • Site of proposed Industrial Resource Area expansion is situated in close proximity to the State Highway network. • Heavy goods vehicles are able to access the site without having to travel through Te Anau township. • Future industrial development located away from areas of high landscape value. • Future industrial development located away from higher density residential development. 	
<p>Environmental Costs</p>	<ul style="list-style-type: none"> • Small reduction in the amount of land located within the Plains Rural Resource Area • Loss of rural landscape of undeveloped parts of the proposed industrial expansion area. 	
<p>Net Environmental Benefit</p>	<p>Positive - Industrial development pressure is eased without rural amenity values being compromised.</p>	

Economic Benefits	<ul style="list-style-type: none"> • Potential for increased economic activity and economic benefits to the local community. • Clear indication to industrial land uses as to where they should locate. • Site can be serviced through extensions to existing services. • Lower compliance costs for resource consent processing. • Transportation advantages. • Potentially increased employment opportunities.
Economic Costs	<ul style="list-style-type: none"> • Costs to Council and ratepayers incurred in developing the Plan Change. • Development costs for industrial uses on the extended Industrial Resource Area.
Social Benefits	<ul style="list-style-type: none"> • Certainty for Council, developers and the general public as to the likely effects of development in the area. • Possibility of increased employment opportunities. • Possibility of provision of additional goods and services.
Social Costs	<ul style="list-style-type: none"> • Increased travel distances from Te Anau Township for employees and customers to expanded Industrial Resource Area.
Net Social and Economic Cost	Positive - Industrial development is provided for and occurs in an area appropriate for these types of development.
Efficiency = Net environmental benefits minus net social and economic costs.	Efficient - The desired environmental outcome of accommodating industrial development pressure in Te Anau is achieved.

Table 6 - Evaluation of Option 2

This option achieved the highest score (4) in table 4 and will achieve the desired environmental outcome of providing for industrial development pressure in Te Anau. The net environmental, social and economic benefits of this option are greater than the other alternatives considered.

6.4 Establish a New Industrial Resource Area Elsewhere

OPTION	3 - Establish a new Industrial Resource Area
RMA purpose: promote the sustainable management of natural and physical resources	
Appropriateness: Is the option the most appropriate way to achieve the purpose of the RMA?	Inappropriate - Of the alternatives considered in this assessment this option is not considered to be the most appropriate way of achieving the purpose of the Act. There is uncertainty in regard to the availability of land suitable for a new Industrial Resource Area.
<p>The following current Southland District Plains Rural Resource Area objectives which will be retained for the area of the Industrial Resource Area expansion if Option 2 (Establish a new Industrial Resource Area) is chosen:</p> <p>Objective IND.1 - To manage the industrial resource areas <u>in a way that avoids, remedies or mitigates any adverse effects industrial activities have on</u> the amenity values of adjoining resource areas and activities.</p> <p>Objective IND.2 - To work towards achieving a situation where the need for an industrial resource area becomes obsolete.</p>	
Effectiveness of the option achieving the relevant objectives in Southland District Plan (listed above).	Ineffective: The establishment of a new Industrial resource Area elsewhere in Te Anau is likely to give rise to greater incompatibilities with existing land uses. A new industrial area is likely to adjoin existing rural and urban residential activities. Noise, odour and traffic issues associated with a new industrial area are likely to detract from the residential amenity of these existing land uses. This option is therefore not considered to be the most effective option for achieving the objectives of the Southland District Plan.
Environmental Benefits	<ul style="list-style-type: none"> A new Industrial Resource Area could be located in an isolated area which could avoid residential amenity issues arising.
Environmental Costs	<ul style="list-style-type: none"> Potential impact on prominent landscapes and visual amenity. Potential impacts on other residents' resource areas and activities. Would not encourage the consolidation of industrial uses in the same area.
Net Environmental Benefit	Negative - The environmental costs of establishing a new Industrial resource Area elsewhere in Te Anau outweigh the benefits.
Economic Benefits	<ul style="list-style-type: none"> A larger Industrial Resource Area could potentially be established. This might enable more industrial land uses to be accommodated.
Economic Costs	<ul style="list-style-type: none"> Infrastructure development costs for industrial uses may be high depending on the proposed location. There may be a shortage of suitable land and no suitable area has been identified. Siting of a new Industrial Resource Area elsewhere likely to give rise to poorer transportation links to existing Industrial Resource Area Costs from having to go through the resource consent or Plan Change process to establish industrial uses in areas where these activities are not permitted by existing District Plan provisions.
Social Benefits	<ul style="list-style-type: none"> A new Industrial Resource Area could be established to provide for industrial development.
Social Costs	<ul style="list-style-type: none"> No certainty for the local community in terms of indicating locations where industrial development is appropriate. Possibly fewer employment opportunities as a new Plan Change for a new Industrial Resource Area is processed. Fragmented industrial development in and around Te Anau resulting in increased distances between industrial business operations and increased travel times.

Net Social and Economic Cost	Negative - The social and economic costs of establishing a new Industrial Resource Area elsewhere in Te Anau outweigh the benefits.
Efficiency = Net environmental benefits minus net social and economic costs.	Potentially inefficient - The desired environmental outcome of accommodating industrial development pressure in Te Anau may be achieved. However a specific area suitable for industrial development has not been identified and there is no certainty as to the establishment of a new Industrial Resource Area. Therefore there is a risk that the desired environmental outcome of accommodating industrial development pressure in Te Anau may not be achieved.

Table 7 - Evaluation of Option 3

This option achieved the second highest score (3) in Table 4 and could potentially achieve the desired environmental outcome of providing for industrial development pressure in Te Anau. However there are considered to be a number of issues associated with the development a new Industrial Resource Area in Te Anau. A major issue associated with this option is the availability of suitable land in the township. As already noted in this report Te Anau has experienced a significant amount of residential development in recent years. The amount of land now potentially available for industrial development has reduced as a result. Another problem with this issue is that many potential development sites in an around Te Anau township are likely to be located in close proximity to residential areas or other noise sensitive activities such as visitor accommodation. Industrial land use may not be appropriate immediately adjacent these areas.

This option fails to provide direction in terms of where industrial land use is appropriate. The establishment of a new Industrial Resource Area due to the nature of adjoining land uses potentially could take a substantial amount of time. Opposition from local landowners and occupiers related to residential and rural amenity issues could add significant time delays to the establishment of any new Industrial Resource Area.

The development of a new Industrial Resource Area does not achieve the desired environmental outcome of accommodating industrial development pressure in Te Anau.

7. AMENDMENTS TO THE DISTRICT PLAN

A proposed new planning map has been prepared is attached to this report in Appendix 6. This proposed amended planning map (number 59) details an expanded Te Anau Industrial Resource Area and replaces existing planning map 59. Another version of map 59 is also included in Appendix 6 and this amended map highlights the area of the proposed Plan Change more clearly.

The existing provisions of the District Plan which relate to Industrial Resource Areas are detailed in Appendix 7. If the proposed Plan Change is approved the policies, methods and rules of Section 4.7.9 - 'Industrial Resource Areas' will apply to the expanded Industrial Resource Area.

8. RISK OF ACTING / NOT ACTING

A risk of not acting is that at some point in the future there may be an acute shortage of Industrial Resource Area land available in Te Anau. As already noted in this report the existing Industrial Resource Area is already at very high occupancy levels. A shortage of suitable land may discourage industrial development and could have negative social and economic implications for the Te Anau community. Future employment opportunities could be lost along with opportunities for locally based industrial goods and services.

Another risk is that industrial development proposals will be forced into less suitable locations in and around Te Anau. Potentially nuisance issues associated with industrial land use could arise where industrial development takes place near residential areas and other noise sensitive activities. Most areas in and around Te Anau are not likely to be as suitable for industrial use as the area the proposed Plan Change relates to.

In addition industrial developments in other resource areas are not likely to be permitted activities and where this is the case will require resource consent. Time and costs associated with resource consent applications could be seen as an additional barrier to industrial development in Te Anau.

The risk of acting and expanding the Industrial Resource Area is not considered significant, this mainly due to the fact that established land uses in the proposed expansion area are industrial in nature. The area of the industrial expansion is located a significant distance from the higher density residential areas of Te Anau and the proximity of the existing Industrial Resource Area is also seen as another advantage.

While it is open to the Council to 'do nothing' in the present circumstances it is considered that the future industrial development in Te Anau would be better catered for through an expansion of the town's existing Industrial Resource Area. The existing District Plan provisions relating to the Industrial Resource Area are more enabling than the Plains Rural Resource Area provisions. Expansion of the existing Industrial resource Area would cater for future industrial growth in the township which is also likely to give rise to ongoing social and economic benefits for the local community.

9. FINAL COMMENTS / CONCLUSION

The proposed Plan Change would increase the area of land available for industrial use and development in the township of Te Anau. The proposed Plan Change would also simplify consent procedures that currently need to be followed to allow for industrial development in the area. The proposed Industrial Resource Area expansion would provide for the economic wellbeing of the Te Anau community. The range of industrial activities enabled by the Plan Change will also sustain the potential of a physical resource to meet the reasonably foreseeable needs of future generations.

There are a number of reasons in favour of the proposed Industrial Resource Area expansion including:

- Two of the three lots the Plan Change relates to (Lot 149 DP 364806 and Lot 1 DP 10913) have had resource consent approval allowing for a 39 lot subdivision and industrial and commercial land use.

- A part of the other lot the proposed Plan Change relates to is already in industrial use as a general contractors yard. Resource consent for this activity was obtained in 2001. A heliport operation has resource consent approval (2006) in another part of the proposed Industrial Resource Area expansion.
- The site has good access via Sandy Brown Road to State Highway 94 in either a northbound or southbound direction. The use of Sandy Brown Road to access State Highway 94 also allows heavy traffic to avoid having to pass through the centre of Te Anau.
- The site is capable of servicing for water and sewerage.
- The area of land the Plan Change relates is located adjacent to an existing Industrial Resource Area. The existing Industrial Resource Area has not given rise to any significant environmental issues.
- The area of land the Plan Change relates to is not located near any higher density residential areas.
- Aside from a small area located near the eastern boundary of Lot 1 DP 306215 the area of land the Plan Change relates to is relatively free of risk from natural hazard events such as riverine inundation (see Appendix 5 for Environment Southlands hazard comments).
- Public consultation to date has not revealed any significant barriers to the Plan Change occurring.

It is considered that the process undertaken by the Council in proposing an expansion of the existing Industrial Resource Area meets the Section 32 requirements of the RMA 1991. This report has shown that the proposed Industrial Resource Area Plan Change is an appropriate method of enabling the community to provide for its social and economic wellbeing. It is also considered that the proposed Industrial Resource Area expansion is the most effective and efficient method of achieving the purpose of the RMA 1991.

10. **APPENDICES**

1. Aerial Photograph (2008) of Existing Te Anau Industrial Resource Area and Proposed Industrial Resource Area Expansion
2. Aerial Photograph (2008) of Existing Industrial Resource Area With Vacant Land Parcels Highlighted
3. Scheme Plans of Approved Heliport Subdivision
4. Scheme Plan of Approved Wickham Subdivision (A3)
5. Environment Southland Comments on Potential Flood Hazard
6. District Plan Map 59 with Proposed Industrial resource Area Expansion Highlighted (A3)
7. Amended District Plan Map 59 (A3)
8. Industrial Resource Areas - Provisions of Existing District Plan
9. Scheme Plan of Approved Southland District Council Subdivision

