
PREFERRED OPTION REPORT TO DISTRICT PLAN COMMITTEE

DATE: 16 May 2018

TOPIC NAME: Rural

SCOPE DESCRIPTION: Character and Amenity – Business Activities in Rural Zones

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EXECUTIVE SUMMARY

<i>Issue(s)</i>	<p>The key issues for this topic are:</p> <ul style="list-style-type: none">• Does the District Plan give effect to the expectations of the RPS for prioritising rural production and restricting non-rural activity?• What type of activities are appropriate (or not) within rural areas (particularly what are non-rural activities) to ensure that the amenity and integrity of the Rural Zone is maintained and that townships fulfil their economic and social functions?• What scale of non-rural activities are appropriate in rural areas?• What effects from non-rural activities need to be managed and why?
<i>Preferred Option</i>	Option 2: Refine the operative provisions for managing business activities in Rural Zones.
<i>DPC Decision</i>	<p>“That the Committee notes the report.”</p> <p>“That the Committee endorses the Preferred Option (Option 2) for Rural Character and Amenity (Business), subject to the provision of a supplementary report addressing the option of a discretionary activity status for businesses located in close proximity to urban areas and/or for rural-based business activities exceeding 500 m², for further development and engagement.”</p>



1.0 Introduction

This report is a summary of the Baseline Report “*Rural Topic: Rural Character, Density and Business Activities*”, in relation to the options for dealing with Business Activity in Rural Zones¹. This summary should be read in conjunction with the full Baseline Report, which is attached as **Appendix 1**.

The initial work underpinning the Baseline Report is a technical report in relation to the character of all rural areas; “*Rural Character Assessment*”. That assessment describes the character of the various parts of the rural environment of Selwyn District, based around the rural areas as defined in the operative District Plan (Port Hills, Inner Plains, Outer Plains, Malvern Hills, and High Country areas), and includes the identification and analysis of the landform, vegetation cover, spatial land use patterns and built form characteristics of each one of these areas. The report also identifies and describes areas where the ‘rural character’ has been significantly eroded through existing development. The report also includes general recommendations, from a specialist landscape planning perspective, on what constraints should be placed on land use if the present rural character is to be retained and these recommendations have been used to inform the development of options for managing business activities in rural zones. The Baseline Report and this Preferred Option report should also be read in conjunction with that technical assessment, see **Appendix 1**.

2.0 Summary of Issues

The Operative District Plan enables a range of business activities to occur in the Rural Zone, whilst aiming to manage the adverse effects of those activities. It is understood that there is a view amongst the community that a number of non-rural businesses have been able to inappropriately establish in the Rural Zone under the current District Plan provisions. There is also a view that particular areas (such as the area between SH1 and the rail reserve from Rolleston to Templeton) have become “hot spots” for non-rural business activities.

The key issues for this topic are:

- Does the District Plan give effect to the expectations of the RPS for prioritising rural production and restricting non-rural activity?
- What type of activities are appropriate (or not) within rural areas (particularly what are non-rural activities) to ensure that the amenity and integrity of the Rural Zone is maintained and that townships fulfil their economic and social functions?
- What scale of non-rural activities are appropriate in rural areas?
- What effects from non-rural activities need to be managed and why?

¹ A separate Preferred Option report has been prepared in relation to the issue of Rural Zone Density and Lot Sizes.

3.0 Statement of Operative District Plan approach

Relevant to this issue, the operative District Plan includes a number of objectives, policies, rules and definitions.

The objectives seek to ensure that the rural area is a pleasant place to live and work and that within this area a variety of activities are provided for, while maintaining rural character and avoiding reverse sensitivity effects. At an objective level it is acknowledged that the rural area is able to accommodate a wide range of activities. The objectives do not however provide any limits on what activities may occur, except on the basis of their compatibility with the character of the area.

The policies provide greater clarity around the outcomes anticipated. In relation to activities generally, Policy 1 continues to anticipate a variety of activities occurring and focusses on the maintenance of environmental standards that allow for primary production and other business activities to operate. The reasons for rules however identify the anticipated 'other business activities' as being farms, forests, ski areas and other rural activities. This broad wording and range of examples does not provide a high level of focus for this policy.

Policy 2 seeks to ensure that within the Port Hills, Malvern Hills and the High Country zones, activities are restricted to those which use natural resources, and activities which are ancillary to those uses, or utilities. The explanation for this policy specifically identifies factories, warehouses, offices, shopping malls and other urban activities as inappropriate in these areas. This again provides high level guidance rather than specific direction on the scale of wider non-rural activity.

Policy 3 seeks to protect amenity values, while Policy 6 seeks to maintain low levels of building density and a predominance of vegetation cover. Similarly, Policy 7 seeks to avoid high rise buildings or highly reflective utility structures. There are also a range of general policies seeking to manage effects of glare, noise, vibration, dust and the like. Avoidance of reverse sensitivity is also a theme that runs through the policies.

Within Policy 4, there is identification of the potential for 'rural based' industrial and 'other' industrial activity within rural zones. In this context, the focus is on managing adverse effects from such activities. The explanation notes that small scale rural-based industrial activities are appropriate, but does not identify what is considered to be a small scale.

There are a range of rules that apply to non-rural activities in the Rural zones, and their interrelationship is relatively complicated. Essentially, very small businesses are anticipated (<100m² and no more than 2 full time equivalent employees) in the Inner and Outer Plains areas. In the Outer Plains area, rural based industrial activity is generally a discretionary activity². Most

² Rural Based Industrial Activity is defined in the operative District Plan as *"an Industrial Activity that involves the use of raw materials or primary products which are derived directly from the rural environment, including agricultural, pastoral, horticultural, forestry, viticulture and crops"*.

other business activities (retail, commercial, and industrial) in these and the other rural areas are non-complying activities.

4.0 Summary of relevant statutory and/or policy context and other background information

4.1 Resource Management Act (RMA)

Management of business activities in rural areas falls under section 5 of the RMA in relation to providing for the needs of people and communities whilst managing adverse effects of activities. Also of relevance are parts of section 7 relating to efficient use and development of natural and physical resources, and the maintenance and enhancement of amenity values and the quality of the environment. Section 31 requires the Council to manage the effects of the use and development of land. Under section 75 of the Act, a district plan must give effect to a regional policy statement.

4.2 Canterbury Regional Policy Statement (RPS)

The RPS contains general definitions for the whole region, and definitions that relate only to the Greater Christchurch area³. The Selwyn District is split with a small portion of land being within the Greater Christchurch area and most of the district outside this area. The general definitions section applying to the region as a whole do not include definitions for rural, business or industrial activities. The definitions applying only to the Greater Christchurch area include business or business activities, commercial activities, industrial, rural activities, and urban activities.

Due to the delineation of part of the district being within Greater Christchurch and part outside, the objective and policy approach is also split. For the area within Greater Christchurch, the focus is on recovery and rebuilding under chapter 6 of the RPS. There is however no specific policy provision in this chapter relating to business development within the rural area or placing an emphasis on the rural productive uses of rural land. Policy 6.3.1 provides some limited guidance on this matter, seeking that new urban activities only occur within existing urban areas or identified greenfield priority areas. As business is generally defined as an urban activity, this indicates that businesses should be establishing in urban areas rather than the rural area. The definition of rural does however include “businesses that support rural land use activities” but does not define what such businesses might be and this dilutes the policy.

Chapter 5 deals with land use and infrastructure across the region generally, beyond the Greater Christchurch area. Within this chapter there is policy recognition that the rural areas are intended mainly for primary production activities and there is a requirement that district plans identify areas to be used for primary production and control the adverse effects of subdivision

³ The “Greater Christchurch” area is defined by RPS to include all of Christchurch City, part of Waimakariri District and part of Selwyn District.

and land-use in rural areas (including by specifying appropriate provisions to manage tourism, employment, and recreational development in rural areas consistent and compatible with rural values and resources, an open rural environment and a consolidated approach to development patterns).

4.3 Mahaanui Iwi Management Plan (IMP)

In relation to the rural environment there are a range of sections of the IMP that have general relevance. Sections of the IMP relating to Ranginui, Wai Māori, Tāne Mahuta and Tāwhirimātea have relevance to the use and amenity of the wider rural environment.

Section 5.4 Papatūānuku has particular relevance as the main section dealing with land use and development of the land. This section contains many objectives and policies dealing with aspects of rural land use but there are no specific provisions within the IMP that relate to the control of businesses operating within the rural environment.

5.0 Summary of alternative management responses – Other Districts

The approach to this issue within the Ashburton, Waimakariri and Christchurch District Plans was considered⁴, and all of these plans include policies that express the intent of protecting the rural character and amenity values for primary production through limiting businesses operating in the rural area. The actual approach to wording at both a policy and rule level differs considerably between the plans with Christchurch District Plan having the most recent and most directive policy approach.

Within these plans, there are rules limiting the nature and/or scale of non-rural activities, however the definitions of activities vary in what they contain and there is no consistency in the definition of “small scale” considered to be appropriate as a permitted activity. Ashburton District Plan takes a restrictive approach with very few permitted activities and most non-rural activities treated as non-complying, which is in contrast to the Waimakariri approach which focuses on limiting retail activity. The Christchurch approach provides for rural produce retail activities (up to 75m² GFA per site) and rural produce manufacturing activities (up to 100m² GFA per site) as a permitted activity. For these activities at a greater scale, restricted discretionary activity would apply. All other commercial or industrial activities fall into the non-complying activity category.

⁴ The Scope of Works required consideration of these specific plans.

6.0 Summary of Options to address Issues

6.1 Option 1: Status Quo

The option of retaining the status quo approach would mean retaining the current general objectives and policies and current provisions⁵.

Effectiveness in Addressing Issues:

This option would be partially effective in addressing the issues by recognizing that business activities can have impacts that need to be managed. However, as it is not particularly directive at a policy level, it would not give full effect to the RPS nor would it effectively ensure that the amenity and integrity of the Rural Zone is maintained and that townships fulfil their economic and social functions.

Risks:

That the Plan does not follow best practice or give full effect to the RPS and given the issues identified above, could attract many submissions on this issue or enable significant change to the character of the rural areas.

Budget or Time Implications:

None as no work would be required. However, it may be that a significant number of concerns and issues are raised through submissions including related to not giving full effect to the RPS. This could lead to protracted hearing times and even appeals to the Environment Court with subsequent time and cost implications.

Stakeholder and Community Interests:

Landowners in rural areas.

Existing and prospective business owners/operators in the rural areas.

The Regional Council, in terms of giving full effect to the RPS given that this was directed by higher order documents i.e. the Land Use Recovery Plan for Christchurch 2013.

Recommendation:

This option is not recommended as it does not give full effect to the RPS and current best practice.

6.2 Option 2: Refined Provisions

This option would refine the current approach to better reflect the expectations of the RPS and more strongly support protection of rural character and productivity as the priority for rural areas. It would involve enhancements to the objectives and policies to provide more direction,

⁵ Small businesses (<100m² and no more than 2 full time equivalent employees) in the Inner and Outer Plains areas as permitted activities. Rural based industrial activity in the Outer Plains area as discretionary. Other business activities in these and the other areas as non-complying.

expanded definitions to provide greater clarity, and updated rules to more precisely manage businesses in rural areas⁶. In summary these changes would include:

- Refinement of the existing rural objectives and policies to:
 - provide greater strength and clarity around the intent for the rural zones,
 - be explicit and clearly state what non-rural activities are acceptable in rural areas,
 - be directed towards constraining business activity and provide clarity around the balance between the need for some activities and the effects of the activities on rural land use.
- Rural Selling Places:
 - new provisions for small scale activities (road side stalls that retail products from a farm),
 - restricted to appropriate zones (inner and outer plains).
- Rural Business Activity:
 - redefine as “rural business” rather than “rural industrial”,
 - continue the current provision for small scale activities in appropriate zones (e.g. up to 200m²) ,
 - apply a stepped approach to activity status for larger scale activities (e.g. 200-500m² as restricted discretionary and non-complying beyond this),
 - take a strict approach to businesses in more vulnerable areas (Port Hills and High Country).
- Business activity:
 - continue the strict restriction on all other business activities that are not related to rural activity.

Effectiveness in Addressing Issues:

This option would be effective in addressing the issues identified, especially in better reflecting the RPS and ensuring that the objectives and policies are strengthened to provide clarity around the intent that the rural zones are for primary production. This would include potentially constraining some activity and providing for other activities where they continue to be necessary and appropriate to support rural production e.g. rural selling places. The primary purpose of the rural zones would be more explicit and the plan would clearly state the type and level of business activity anticipated to be appropriate within rural zones, together with the reasons why further business activity is not anticipated.

Risks:

The option may mean that resource consents are required for a wider range of activities. Consequently, landowners may oppose the provisions and the decision on the provisions could be appealed to the Environment Court. However, this risk can be mitigated through engagement with landowners.

⁶ Refer to section 8 of the Baseline Report for full details of this option.

To manage potential risks, it is also necessary to ensure that there is sufficient business zoned land, which is adequately serviced and is of the right scale, configuration and zoning, in the right locations around the district. Without such provision, there remains the potential for overflow demands into the rural area.

Budget or Time Implications:

Need to engage with landowners and business owners/operators to ensure an understanding of the process, statutory drivers and the implications of the provisions.

Stakeholder and Community Interests:

Federated Farmers, individual landowners, and existing/prospective business operators.

Recommendation:

This option is recommended as it gives better effect to the RPS and provides clarity around the intent for the rural zone as well as assisting to protect rural land for primary production purposes.

7.0 Preferred Option for further engagement

Based on the outcomes of the technical assessment, the review of the current situation for business in Rural Zones, the input from the Economic Assessment and the analysis in the Baseline Report, the Project Team recommends that Option 2 be pursued.

Appendix 1:

**Baseline Report “Rural Topic: Rural Character, Density and Business Activities” and
Technical report “Rural Character Assessment”**