



BLUE SKY MEATS (NZ) LIMITED

**PRIVATE PLAN CHANGE TO THE SOUTHLAND
DISTRICT PLAN**

SECTION 32 EVALUATION REPORT

AUGUST 2024

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DAYSH**

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1. INTRODUCTION

1.1 PROPOSED PLAN CHANGE OVERVIEW

This Section 32 Evaluation Report has been prepared in support of a Private Plan Change request (“**the Plan Change**” or “**the PPC**”) to the Southland District Plan (“**the District Plan**”) by Blue Sky Meats (NZ) Limited (“**BSM**”).

The purpose of this Plan Change is to rezone approximately 46 hectares of land at 729 Woodlands-Morton Mains Road (“**the site**”) from General Rural Zone to General Industrial Zone under the District Plan. The Plan Change also includes a precinct overlay - referred to as the “**Blue Sky Precinct**” - which details the site-specific provisions that would apply to the land subject to the proposed rezoning.

The site is owned by BSM, is located some 20 km east of Invercargill and contains a long-standing meat processing plant and associated ancillary activities that have been established since 1989. The land subject to the Plan Change is shown in Figure 1 below.



Figure 1: Land Subject to the Plan Change (the Site)

In summary, the Plan Change proposes to make changes to the following sections of the District Plan:

- **Planning Maps:** The rezoning of the site from General Rural Zone to General Industrial Zone.
- **Part 3 (Area Specific Matters – GIZ General Industrial Zone):** The insertion of a new Blue Sky Precinct (and other minor consequential amendments) with an accompanying set of methods that will a) suitably provide for the particular range of unique activities undertaken on the site, and b) manage the site-specific effects on the environment associated with the industrial zoning of the site. It is noted that no new objective or policies are proposed. For example, the Blue Sky Precinct includes a range of provisions to manage any adverse effects on the landscape and amenity values of the surrounding rural environment, the storage and use hazardous substances at the site, and any adverse effects on the wider transport network.
- **Part 4 (Appendices and Maps - Schedules - SCHED6 Hazardous Substances Table):** Amendments to the table to provide a bespoke approach to the manage the quantities of hazardous substances at the site.

The main plan change application report contains greater detail on the site and the surrounding environment, the detailed provisions that are proposed through the Plan Change and discussion on the key issues that have been the focus of significant attention as part of the preparation of the Plan Change (including the loss of highly productive land, the use and storage of hazardous substances and potential effects on the wider transport network). This evaluation report should be read alongside (and as supporting) the plan change application report.

1.2 RESOURCE MANAGEMENT ACT 1991 REQUIREMENTS

The request to advance the Plan Change has been made in accordance with the requirements of Sections 32, 72 to 77, and Schedule 1 of the Resource Management Act 1991 (“**RMA**”).

Sections 72 to 77 of the RMA set out the purpose and processes associated with District Plans. District Plans allow territorial authorities to fulfil their functions under the RMA (Section 72). Every territorial authority must have a District Plan that is prepared under the requirements of Schedule 1 (Section 73).

Schedule 1 of the RMA outlines the statutory requirements for preparing a proposed plan or private plan change, including consultation and process matters both prior to, and after, public notification. Section 74 requires that any plan change be prepared in accordance with the higher order documents, having regard to proposed regional planning instruments, and taking into account any iwi management plans and their bearing on the resource management issues of the district. Sections 75 to 77 outline what must be, and

what may be, included in a plan change (i.e. objectives, policies and methods) and provide for the inclusion of rules setting the 'activity status' for activities covered by the plan change.

Section 32(1) of the RMA requires an evaluation report for the Plan Change to:

- Examine the extent to which the objectives of the proposed plan change are the "most appropriate" way to achieve the purpose of the RMA;
- Examine whether the proposed provisions are the "most appropriate" way of achieving the plan change objectives, having regard to efficiency and effectiveness and other reasonably practicable options for achieving the objectives; and
- Contain a level of detail that corresponds to the scale and significance of the anticipated effects of the implementation of the proposal.

With respect to examining the objectives of the proposed Plan Change, section 32(6) of the RMA states that where the proposal does not contain or state objectives, the term 'objectives' refers to the purpose of the proposal. As discussed further in section 2 of this report, the Plan Change does not contain any new objectives.

With respect to examining whether the proposed provisions are the most appropriate way of achieving the Plan Change objectives requires:

- The identification and assessment of the benefits and costs of the effects that are anticipated from the implementation of the provisions, including opportunities for economic growth and employment;
- If practicable, quantification of the benefits and costs referred to directly above; and
- An assessment of the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.

The following sections of this report provide an evaluation prescribed by section 32 of the RMA as follows:

- Section 2 - describes the objectives of the Plan Change and assesses the appropriateness of the proposal to achieve the purpose of the RMA.
- Section 3 - assesses the appropriateness of the proposed provisions to achieve the purpose of the Plan Change (as the proposal does not contain or state any new objectives) and the objectives of the District Plan that are broadly applicable to the Plan Change. It does this by identifying reasonably practicable alternatives to achieve the objectives and by then assessing the efficiency, effectiveness, costs and benefits of each option. This section also includes an assessment of the risks of not acting and the reasons for deciding on the provisions.



For completeness, it is noted that this assessment is undertaken at a scale corresponding to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the Plan Change.

As noted above, further details of the Plan Change are included in the plan change application and supporting technical assessments, which should be read alongside this evaluation report.



2. APPROPRIATENESS OF THE OBJECTIVES

Section 32(1)(a) of the RMA requires an evaluation to examine the extent to which the objectives of the proposed plan change are the most appropriate way to achieve the purpose of the RMA.

2.1 OVERALL OBJECTIVE OF PRIVATE PLAN CHANGE

The overall objective and purpose of the Plan Change is to align the long-standing industrial activities established on the site with a District plan zoning that is better placed to recognise the existing activities on the site and provide for future expansion of the BSM Plant, while appropriately managing associated effects on the surrounding environment.

BSM are currently developing plans to invest in upgrades to its existing facilities at the site which will enable the BSM processing plant to operate more efficiently and expand operations. The rezoning of the site to General Industrial Zone is required to meet these increased demands for industrial land capable of servicing a significant wet industry in the Southland District which will otherwise be prevented if the land was to remain General Rural Zone. This is because:

- The entire BSM site and immediate surrounds are identified as highly productive land under the National Policy Statement for Highly Productive Land 2022 (“NPS-HPL”);¹
- The NPS-HPL contains an objective and policies (and a range of clauses) which seek to protect highly productive land for use in land-based primary production, and generally avoid urban development, rezoning and subdivision of highly productive land; and
- Under its current zoning, the NPS-HPL places barriers which may restrict the ability of BSM to obtain any land use consents that are required for the future development of the site.

A change to an “urban zoning” (such as a General Industrial Zone) which more appropriately reflects and provides for the current and future use of the site would mean the barriers presented by the NPS-HPL would no longer be applicable.

As discussed at length in the statutory assessment provided in the Plan Change application, the PPC is considered to be consistent with the various requirements of the NPS-HPL – including the requirements that must be met to allow the urban rezoning of highly productive land - and can be rezoned from General Rural Zone to General Industrial Zone.

¹ As the entire BSM site and immediate surrounds are rural zoned in the District Plan and mapped as LUC 2 by the New Zealand Land Resource Inventory.

This is in large measure because there is currently no other General Industrial Zoned land within the Southland District that can accommodate “wet industry” meat processing activities of the scale of BSM’s operations.

Noting that the Plan Change seeks to rezone the land to General Industrial Zone, the following strategic and area-specific objectives of the District Plan are applicable:

Tangata Whenua Objective TW-O1:²

To recognise the importance of and provide for Māori culture and traditions with ancestral lands, sites, water, wāhi tapu and other taonga.

General Industrial Zone GIZ-O1:

Subdivision, land use and development within the General Industrial Zone occur in an integrated and sustainable manner.

The Plan Change seeks to adopt / retain these objectives without change. No new objectives are proposed to be inserted into the District Plan.

2.2 ASSESSMENT OF THE OBJECTIVES AGAINST PART 2 OF THE ACT

The objectives of the District Plan identified above are operative and have therefore been thoroughly assessed against Part 2 of the RMA through the District Plan Review process.

As the Plan Change does not contain or state any new objectives to be included in the District Plan, this assessment focuses on evaluating the extent to which the ‘purpose’ of the Plan Change (as set out above) is the most appropriate way to achieve the purpose of the RMA.

Part 2 of the RMA identifies that the purpose of the Act is to promote the sustainable management of natural and physical resources. This means managing the use, development and protection of natural and physical resources in a way that enables people and communities to provide for their social, economic and cultural wellbeing and for their health and safety, while also sustaining those resources for future generations, protecting the life-supporting capacity of ecosystems, and avoiding, remedying or mitigating adverse effects on the environment.

The objectives of the Plan Change are the most appropriate way to achieve Part 2 of the RMA, given that the Plan Change both better reflects a long-standing established industrial use on the site, and is required to meet an increase in demand for wet industrial land in the Southland District, which will in turn enhance the social and economic wellbeing of the District.

² For the purposes of preparing, changing, interpreting, and implementing the District Plan, all other objectives and policies in all chapters of the District Plan are to be read and achieved in a manner consistent with the strategic directions – with the only strategic direction objective relating to tangata whenua.

Section 6 of the RMA sets out a number of matters of national importance that need to be recognised and provided for in achieving the purpose of the Act. Specific matters of national importance that are relevant to the Plan Change include:

- (a) the preservation of the natural character of the coastal environment (including the coastal marine area), wetlands, and lakes and rivers and their margins;*
- (e) the relationship of Māori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga; and*
- (g) the protection of protected customary rights.*

For the reasons set out in the statutory assessment in the plan change application report (refer to section 7) the Plan Change would recognise and provide for these matters of national importance.

Section 7 of the RMA identifies a number of “other matters” to be given particular regard to by the Southland District Council. Specific other matters that are relevant to the Plan Change include:

- (b) the efficient use and development of natural and physical resources;*
- (c) the maintenance and enhancement of amenity values; and*
- (f) maintenance and enhancement of the quality of the environment.*

The Plan Change will support the efficient use of natural and physical resources by applying a land use zoning that is better placed to recognise and provide for the established industrial activities on the site, and provide for future expansion of those activities, while managing the specific effects generated by BSM’s activities on the site.

The Plan Change will maintain and enhance amenity values by applying a site-specific precinct that seeks to manage actual and potential landscape and visual amenity effects through various measures such as boundary setbacks and landscaping requirements. In addition, the site-specific precinct will maintain and enhance the quality of the environment through identifying areas of planting / riparian vegetation to be retained, as well as additional landscaping requirements.

Section 8 requires the Southland District Council to take into account the principles of the Treaty of Waitangi. It is considered that this proposal will not be at odds with the principles of the Treaty of Waitangi.

Overall the Plan Change is considered to be a more effective means of achieving the sustainable management purpose of the RMA than the current planning framework, or an alternative method (as detailed below). It is considered that the objective or ‘purpose’ of the Plan Change, coupled with the existing objectives TW-O1 and GIZ-O1 in the District Plan, and the District Plan objectives more widely, is the most appropriate way to achieve the purpose of the RMA.

3. APPROPRIATENESS OF THE PROVISIONS

Sections 32(1)(b), (2) and (3) of the RMA set out the matters that must be considered when assessing the appropriateness of the provisions in achieving the purpose of the Plan Change / proposal, and the relevant objectives of the District Plan, including:

- Identifying and assessing other reasonably practicable options for achieving the objectives or purpose of the plan change;
- Assessing the efficiency and effectiveness of the proposed provisions in achieving the objectives or purpose of the plan change; and
- In doing so, identifying and assessing the benefits and costs of new provisions, including opportunities for economic growth and employment;
- Assessing the risks of acting or not acting if there is uncertain or insufficient information;
- Summarising the reasons for deciding on the proposed provisions.

Section 32(2)(c) of the RMA also requires an assessment of the risk of acting or not acting if there is uncertain or insufficient information. In this case, it is considered that there is sufficient information to determine the range and nature of effects of the options set out, and as such, no additional risk assessment under this provision has been undertaken.

3.1 OPTIONS IDENTIFICATION AND EVALUATION

In evaluating the appropriateness of the provisions of the Plan Change and how they apply to the BSM site, four reasonably practicable options have been assessed as follows:

- Option 1:** Maintaining the status quo.
- Option 2:** Rezoning the land via a private plan change (**the preferred option**).
- Option 3:** Waiting for the next review of the District Plan and making submissions to seek the rezoning of the site.
- Option 4:** Reestablishing BSM's industrial activities on an alternative site.

Each option is discussed in the sections below.

For completeness, it is noted that as part of option two there are several sub-options to be considered. These include:

- Rezoning the site via a private plan change, but retaining all the provisions of the General Industrial Zone unchanged; or
- Rezoning the site via a private plan change but amending existing provisions or proposing new provisions be inserted into the General Industrial Zone.



- Rezoning the entire operational plant footprint and wider irrigation land area via a private plan change.
- Rezoning the existing operational footprint, plus additional land to accommodate immediate development needs via a private plan change.

Whilst retaining the provisions of the General Industrial Zone unchanged would be more straightforward, it is not considered that this sub-option would sufficiently provide for the specific functional and operational needs of the BSM processing plant, or appropriately manage the potential environmental effects generated on the site.

Noting that the BSM operation at Morton Mains relies on on-site disposal of wastewater and process biosolid waste, another sub-option would be to include the whole operational site in the industrial rezoning. This option would be difficult to justify against the NPS-HPL direction to minimise land-take and RPS policy direction.

Rezoning the existing operational footprint and land for the immediate development needs would rationalise the District Plan provisions to match the reality on the ground at BSM by bringing the existing footprint of the operation into the General Industrial Zone. However, this option would not provide sufficient flexibility for the future development intentions of BSM.

Given the above, these sub-options have not been considered further in this report.

3.1.1 Option 1 – Maintain the Status Quo

This option involves retaining the existing General Rural Zone and District Plan provisions and progressing any further industrial development and / or any expansion works of the BSM processing plant via resource consents.

As part of obtaining resource consents under the District Plan and the Proposed Southland Land and Water Plan, any resource consent application will need to be considered against the relevant provisions of any national environmental standard, national policy statement, regional policy statement or proposed regional policy statement and any regional or district plan or proposed plan.³

Whilst there is likely a consenting pathway available in the applicable district and regional plans for the proposed development activities at the site, the provisions of the NPS-HPL present barriers to BSM's ability to obtain the land use consents required for any future development of the site.

³ In accordance with section 104 of the RMA.

The NPS-HPL came into force in October 2022 and seeks to enhance protection for highly productive land from inappropriate subdivision, use and development. The single objective of the NPS-HPL is that:

“Highly productive land is protected for use in land-based primary production, both now and for future generations”.

This is supported by a set of nine policies, which set out at a high level how the objective is to be achieved. In general, these policies aim to identify and protect highly productive land for use in land-based primary production, while generally avoiding urban (including industrial) rezoning, rural lifestyle development, and subdivision. In particular, Policy 5 states that the rezoning of highly productive land is to be avoided except where provided for by the NPS-HPL.

As outlined in greater detail in the plan change application, the entire site that is subject to the Plan Change is highly productive land.

Of relevance is Part 3 of the NPS-HPL, which sets out the matters that Southland District Council must do to give effect to the objectives and policies. In particular:

- Clause 3.9 of the NPS-HPL requires that the Southland District Council avoid the inappropriate use or development of highly productive land that is not land-based primary production. A use is essentially deemed to be inappropriate unless the activity meets one of the listed exemptions; and
- Conversely, clause 3.11 of the NPS-HPL requires that Southland District Council must enable the maintenance, operation or upgrade of existing activities on highly productive land. The BSM site is an existing activity, and the Council must enable its not just continued operation, but also its upgrading through the District Plan.

Clause 3.6 of the NPS-HPL restricts urban (including industrial) rezoning of highly productive land to situations unless certain tests are met. In the case of Southland District which is a Tier 3 territorial authority, rezoning of highly productive land may be allowed if the urban zoning is required to provide sufficient development capacity; and there are no other reasonably practicable and feasible options for providing the required development capacity; and the environmental, social, cultural and economic benefits of rezoning outweigh the environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production.

The potential conflicts between these restrictive and more enabling provisions will need to be addressed by the Southland District when it reviews its District Plan to give effect to the NPS-HPL (which is required to occur at some stage in the next five years).⁴

⁴ NPS-HPL Clauses 3.5 and 4.1.

However, in the meantime, any resource consent application would need to have regard to these various highly directive provisions of the NPS-HPL in order to authorise any further development / expansion activities at the site, under the existing rural zoning of that site

As set out in the statutory assessment for the Plan Change application (refer to section 7 of the report) and in the accompanying legal opinion (**Appendix G**), the relevant exemptions provided in the NPS-HPL for rezoning (under clause 3.6) and as to what comprises an ‘appropriate’ use of highly productive land (under clause 3.9) can be met, and the future development works at the site will constitute the upgrading of an existing activity (under clause 3.11).

Nevertheless, it is considered that the rezoning option is the more appropriate to achieve the objectives (or purpose) of the Plan Change, as clause 3.6 sets out specific tests for such rezoning that can be considered and applied in a strategic way including at District level, than through the more ‘ad hoc’ method of a resource consent pathway.

The plan change application report demonstrates that the Clause 3.6 requirements for an industrial rezoning of the site can be established having regard to the supporting technical assessments. This is considered to be a more appropriate approach to ensuring alignment with the NPS-HPL, than a one-off consenting approach that does not apply the Clause 3.6 requirements, and with the significant potential risk that any application for the future expansion works under the existing rural zoning would be refused consent accordingly.

Furthermore, a resource consent is not considered the best planning method to recognise the long-standing established existing use of the site for an industrial activity,⁵ whereas a rezoning would serve that purpose, as well as directly giving effect to clause 3.11 of the NPS-HPL.

By contrast, once rezoned, any future consents required for specific activities within the more appropriately applied industrial zone (and Blue Sky Precinct) can be assessed in that planning context, rather than against the restrictive NPS-HPL provisions (which would no longer apply following the rezoning).

3.1.2 Option 2 – Rezone the Site through a Private Plan Change

This option is to rezone the site from General Rural Zone to General Industrial Zone and to insert the Blue Sky Precinct into the District Plan via a private plan change process. This is the preferred option. It involves minor amendments to the existing District Plan provisions for the General Industrial Zone Chapter, the insertion of a new Blue Sky Precinct and

⁵ Resource consenting is generally most appropriate or ‘better’ for approving new (yet to be established) activities that align with the objectives and policies of a Plan.

amendments to the SCHED6 Hazardous Substances Table (including the insertion of a new column to include reference to the Blue Sky Precinct and bespoke quantities of hazardous substances that can be stored and used at the site).

This approach would:

- Better align the long-standing industrial activities on the site with a more appropriate zoning in the District Plan. This will also serve to address the issues raised by the NPS-HPL, as a more appropriate zoning will also ensure that the restrictive provisions of the NPS-HPL no longer apply to the site;
- Provide for future development / expansion works at the site, which will enable the BSM processing plant to operate more efficiently and provide further substantial economic and employment contributions to the Southland economy (refer to the Economic Assessment at **Appendix D** for further detail);
- Ensure that any adverse effects from the continued operation of the BSM processing plant (and future development works) are appropriately managed in a manner that takes into account the specific characteristics and features of the site. In particular, the PPC would:
 - Ensure landscape, visual amenity and indigenous biodiversity effects are maintained and enhanced through the application of the Blue Sky Precinct;
 - Better provide for the storage and transportation of hazardous substances on the site by virtue of specific quantities set out in the SCHED6 – Hazardous Substances Table of the District Plan; and
 - Better manage potential transport effects on the wider transport network by virtue of a specific vehicle movement rule that will require the preparation of an Integrated Transportation Assessment once movements exceed a certain threshold.

3.1.3 Option 3 – Rezone the Site through the District Plan Review

This option involves BSM seeking to advance the rezoning of the site by way of a submission on a wider District Plan review (or change) process. This option would be similar to the request for a private plan change option in that any submission would need to be supported by technical assessments that confirm that the rezoning of the land is suitable, and any adverse effects associated with enabling of further industrial development on the site can be appropriately managed.

This option would ultimately result in the realisation of many of the benefits of a private plan change process due to the integrated and holistic nature of District Plan reviews.



However, the timeframes for this option are uncertain as it is unclear when the next District Plan review will occur. As the District Plan was made fully operative in 2018, it is unlikely that a full District Plan review will occur in the near future.

This approach would therefore result in the undue delay of future development works at the site, and subsequently preclude (or at least defer) the substantial economic and social benefits to the wider Southland District that would be realised by the expansion of the BSM processing plant in the meantime. As further discussed in the plan change application, these benefits include significant improvements in BSM's contributions to Southlands Gross Domestic Product ("GDP") and the creation of more direct and indirect jobs in the Southland District.

3.1.4 Option 4 – Re-Establish BSM Processing Plant at an Alternative Location

This option would involve the re-establishment of the BSM processing plant (and various other ancillary activities) at an alternative site in a different part of the Southland District.

The planning assessment has concluded that there is no other General Industrial Zone land within the Southland District that can accommodate 'wet industry' meat processing activities of the scale and requirements of BSM's operations. The only vacant General Industrial Zone land in the Southland District of a size that can accommodate the BSM processing plant is approximately 190 hectares of land on Branxholme-Makarewa Road in Makarewa. While the land area available at Makarewa may be of a suitable scale to cater for industrial scale buildings, in terms of wastewater treatment and disposal infrastructure, the land is severely constrained for the following reasons:

- There are no existing large scale wastewater treatment facilities in place;
- It is unlikely that wastewater discharge consents could be obtained for a land or water discharge given the site is part of the Oreti and Invercargill Catchments (New River Estuary) which requires a 62% reduction in nitrogen in the proposed Southland Water and Land Plan;
- A new wastewater pipeline to the Invercargill City wastewater network (located in a different district) would need to be constructed; and
- A trade waste permit from Invercargill City Council would be required. The capacity of the Invercargill City wastewater network and treatment system is finite, meaning that large industrial wet industries (such as BSM) would potentially find it difficult to secure the necessary approval to discharge into the trade waste network.

In contrast the BSM site is largely self-contained in relation to water supply and wastewater treatment and disposal infrastructure.

Alternative sites would therefore need to be located outside the Southland District (provided they could accommodate the needs of BSM).



However, the BSM Morton Mains processing plant location balances the following two key site selection considerations:

- Transportation costs – BSM currently serves a broad market located within 2 hours of livestock across Southland and 2.5 hours of Port Otago (where most of the processed meat is exported); and
- Workforce – The BSM site is located within 25 minutes of Invercargill and is therefore well-positioned for many of its 400 workers to commute to each day.

Regardless of the above, the re-establishment of the BSM Morton Mains processing plant at an alternative site is not reasonably practicable, or an efficient and effective method to achieve the objectives of the Plan Change.

As the economic assessment (Appendix C to the plan change application) explains, even if there were a realistic alternative site available, it would be an inefficient use of capital within Southland to ignore the significant investment in the existing BSM plant, including \$15M of investment in recent years to upgrading the wastewater treatment facilities, as well as decarbonisation initiatives that are currently in train.

For all of these reasons, there are no realistic alternatives for the BSM Morton Mains processing plant that are both plan-enabled and suitable or 'practicable' to accommodate the bespoke requirements of BSM operations.

3.2 EVALUATION OF PLAN CHANGE PROVISIONS

The following section assesses the appropriateness of the proposed provisions in accordance with sections 32(1)(b)(ii) and 32(2) of the RMA.

3.2.1 Appropriateness of the Plan Change Provisions

As detailed above, the Plan Change proposes to make changes to the following sections of the District Plan:

- Planning Maps;
- Part 3 - Area Specific Matters – GIZ General Industrial Zone; and
- Part 4 – Appendices and Maps - Schedules - SCHED6 Hazardous Substances Table.

The appropriateness of the proposed provisions to achieve the purpose of the proposal, and the relevant objectives of the District Plan, are discussed in the context of the following themes:

- Hazardous substances;
- Landscape and visual amenity; and
- Transport and access.



3.2.1.1 Hazardous Substances

The sole objective of the General Industrial Zone requires that development occur in an integrated and sustainable manner, and whilst the industrial zone has a higher tolerance for environmental effects, the policies still require that activities be carried out in a manner that avoids, remedies or mitigates adverse effects.

The Hazardous Substances Assessment (**Appendix F** to the main plan change application) has assessed potential effects relating to the storage and use of hazardous substances on the site. This assessment has found that many of the hazardous substances currently used / proposed to be used in the future fall within the General Rural and General Industrial Zone permitted thresholds. In instances where the site requires greater quantities of hazardous substances than what is permitted Rural and Industrial zones, the Hazardous Substances Assessment has set thresholds that can be applied in the SCHED6 Hazardous Substances Table 28 and determined that these can be appropriately managed through a combination:

- On-site facilities and procedural systems;
- A 50 m buffer to the site boundary within which hazardous substances storage will not be permitted (SCHED6 Hazardous Substances Table 28).
- A performance standard to cover secondary containment for Class 6 hazardous liquids and Class 8 corrosive liquids and emergency response planning relating to the storage and use of ammonia in refrigeration systems.

The option of enabling unlimited quantities of hazardous substances may result in potential adverse effects on (or risks to) people, property or ecosystems.

It is noted the Plan Change does not propose changes to the district-wide Hazardous Substances Chapter of the District Plan. These provisions have been subject to a Schedule 1 process under the RMA and their appropriateness in achieving the purpose of the RMA are not challenged by the Plan Change. Rather, it is considered more effective and efficient to ensure that future activities are subject to specific provisions within the Blue Sky Precinct and SCHED6 Hazardous Substances Table 28 that take into account the specific location and characteristics of the site.

3.2.1.2 Landscape and Visual Amenity

The sole objective of the General Industrial Zone requires that development occur in an integrated and sustainable manner, and whilst the industrial zone has a higher tolerance for environmental effects, the policies still require that activities be carried out in a manner that avoids, remedies or mitigates adverse effects.

The BSM site is located in a rural environment and currently comprises a mix of both rural and industrial land uses. As such, the additional industrial development enabled by the Plan Change will result in the intensification of the existing industrial character and may

have potential adverse effects on the existing amenity values of the surrounding environment.

The Blue Sky Precinct includes various specific provisions to maintain the existing amenity values of the surrounding environment. These include:

- Proposed setbacks and a buffer area to ensure sufficient separation between the enabled industrial activity and the surrounding rural land – with a 100 m setback from the Woodlands-Morton Mains Road boundary and the north-eastern boundary, and a 50 m setback from all other boundaries;
- Proposed protection of existing planting;
- The establishment of new areas of screen planting;
- A maximum building coverage of 30% of the site; and
- Provisions requiring buildings to be recessively coloured within certain parts of the site.

The reasonably practicable alternative option is not to include 'bespoke' landscape management controls of this kind. However, this would not manage the potential adverse effects associated with the future development enabled at the site or ensure that the existing amenity values and quality of the environment are maintained.

Alternatives, such as smaller setbacks or buffer areas, are not considered to provide sufficient protection for existing open space and mature planting that currently provides screening of views from Woodlands-Morton Mains Road and other roads to the north of the site (e.g. Railway Road). Conversely, imposing requiring smaller maximum building coverage requirements would not enable the necessary expansion of BSM operations at the site.

3.2.1.3 Transport and Access

The sole objective of the General Industrial Zone requires that development occur in an integrated and sustainable manner, with the zone described as providing for the efficient use and development of transportation and infrastructure networks. The Traffic Assessment (**Appendix E** to the main plan change application) has identified potential effects relating to the generation of additional vehicle movements to and from the site.

The Blue Sky Precinct Plan supports good transport and access outcomes by the inclusion of a rule that requires the preparation of an Integrated Transport Assessment if traffic generation at the site exceeds a certain threshold of movements per day, with that threshold assessed to ensure the activities on the site (existing and future) can be appropriately accommodated by the surrounding road environment

The option of enabling an unlimited volume of truck / vehicle movements to and from the site may result in potential adverse effects on the safety, efficiency and effectiveness of



the local wider transport network, and the amenity values of the immediate and surrounding area.

It is noted the Plan Change does not propose changes to the district-wide transport chapter of the District Plan. These provisions have been subject to a Schedule 1 process under the RMA and their appropriateness in achieving the purpose of the RMA are not challenged by the Plan Change. Rather, it is considered more effective and efficient to ensure that future activities within the Blue Sky Precinct are subject to specific provisions that take into account the specific location and characteristics of the site.

3.2.2 Cost Benefit Analysis

The following table provides an assessment of the costs and benefits of the environmental, economic, social and cultural effects (including economic growth and employment) that are anticipated from the implementation of the provisions as required under sections 32(2)(a) and (b) of the RMA. Where practicable the benefits and costs have been quantified in the Economic Assessment that accompanies the plan change application (refer to **Appendix D**).

Table 1: Cost Benefit Analysis

Options	Benefits	Costs
<p>Option 1 – Maintain the status quo.</p> <ul style="list-style-type: none"> › Retaining existing General Rural Zone and District Plan provisions. › Progress any further industrial development and / or any expansion works of the BSM processing plant via resource consents. 	<ul style="list-style-type: none"> › Existing rural amenity values would be unaltered for nearby landowners and users of the adjacent transport network. › BSM operators and Southland District Council staff are familiar with current provisions, resulting in reduced administrative costs. › Relatively inexpensive to implement as limited drafting required, resulting in reduced cost to the community and Council. 	<ul style="list-style-type: none"> › Misalignment of the underlying rural land use zoning in the District Plan with the existing industrial land uses on the site. › Opportunities to meet the increased demand for wet industrial land in the Southland District (as through proposed expansion of the BSM Plant) would be restricted. › Likely to limit economic growth and employment opportunities as the rural zoning will mean the provisions of the NPS-HPL continue to apply, and would likely restrict future expansion of the BSM processing plant (risk of consent being refused under current zoning in light of NPS-HPL). › Provides an inadequate level of clarity and certainty to the community regarding the development intentions of BSM at the site. › Does not identify and appropriately manage the potential adverse environmental effects that are specific to the site.
<p>Option 2 – Rezone the site through a private plan change</p>	<ul style="list-style-type: none"> › Better aligns the long-standing industrial activities established on the site with a more appropriate zoning in the District Plan. 	<ul style="list-style-type: none"> › The loss of a relatively small area of highly productive land through enabling the expansion of the BSM processing plant, although noting that large areas of the site have already been subject to industrial activities (including associated waste treatment and disposal) for over 30 years.



Options	Benefits	Costs
<p>and amend District Plan provisions.</p> <ul style="list-style-type: none"> › Re-zone the site from General Rural Zone to General Industrial Zone. › Minor amendments to the existing District Plan provisions for the General Industrial Zone (including the insertion of a new Blue Sky Precinct) and SCHED 6 Hazardous Substances Table. 	<ul style="list-style-type: none"> › Provides increased long-term certainty for BSM’s operations at the site. › Enables future development works and the expansion of the BSM processing plant at the site. This will result in substantial economic and social benefits for the Southland District. In particular, the Economic Assessment concludes that the proposed expansion could improve BSM’s contribution to the Southland economy from approximately \$104.1 million of GDP annually to approximately \$163.1 million. Total employment supported by BSM would also rise from 863 jobs to 1,224 jobs (taking into account activities directly occurring on the site and the flow-on effects to other industries, such as land-based primary production). › Better supports the continued use of land-based primary production activities on the surrounding highly productive land. › The Blue Sky Precinct Plan will encourage a more holistic, integrated approach to site development. › The Blue Sky Precinct includes tailored provisions to ensure that future development on the site suitably manages potential adverse effects while taking into account the specific characteristics and features of the site. The precinct plan will also strike a balance 	<ul style="list-style-type: none"> › Surrounding rural property owners may be unreceptive due to the perceived ‘permissiveness’ of the rezoning and therefore enabling of further industrial development. › Financial and administrative costs for both BSM and the Southland District Council to prepare and process the private plan change.

Options	Benefits	Costs
	<p>between efficient site development and avoiding or minimising adverse effects on surrounding rural properties.</p> <ul style="list-style-type: none"> › Enhanced indigenous biodiversity on the site through the requirements of the Blue Sky Precinct Plan (such as ensuring all screen planting is comprised of indigenous vegetation only and buffer areas to protect adjacent tributaries from effects of development). 	
<p>Option 3 – Rezone the site through the district plan review.</p>	<ul style="list-style-type: none"> › Largely the same as option 2 above. 	<ul style="list-style-type: none"> › Largely the same as option 2 above, however with the addition of the delay of future development works at the site while waiting for the next district plan review process. This will result in the deferral (at best) of the substantial economic and social benefits to the wider Southland District that would be realised by the expansion of the BSM processing plant in the meantime.
<p>Option 4 – Re-establish the BSM processing plant at an alternative location.</p>	<ul style="list-style-type: none"> › The protection of remaining highly productive land on the site from further development. 	<ul style="list-style-type: none"> › This option is not feasible as there is no existing General Industrial Zoned Land in the Southland District that can accommodate the bespoke wet industry needs of the BSM processing plant. › Even assuming a realistic alternative site were available, it would be an inefficient use of capital as it ignores the significant investment already ‘sunk’ at the Morton Mains Processing Plant and would be cost prohibitive to re-establish the existing BSM facilities at another site. › Economic returns from alternative land uses at the site (such as agricultural land uses for sheep and beef or dairying) would be substantially less. The Economic Assessment notes this would yield between \$0.1 to \$1.1 million of GDP annually for the local economy and support between 0.73 to 4.9 jobs.

3.2.3 Efficiency and Effectiveness

This section assesses the efficiency and effectiveness of the provisions in achieving the purpose of the Plan Change, and the relevant objectives of the District Plan, in accordance with section 32(b)(ii) of the RMA.

The Plan Change is considered an efficient method for achieving the plan change objectives because it is funded by the applicant.

The provisions will provide greater certainty for the continued operation of the BSM processing plant and enable BSM to undertake future development / expansion of operations of the site. This will allow BSM to improve the efficiency and productivity of the existing meat processing operations and allow for future growth opportunities.

The site is also ideally located from a logistics and transportation perspective. As previously noted, the site is located within two hours of livestock across Southland and South Otago, and within less than three hours of Port Otago (where most processed meat is exported). This enables BSM to manage transportation costs efficiently. The site is also located within 25 minutes of Invercargill, being well-positioned for many of its 400 workers to commute each day, with a similar-sized workforce not available in any other area of the Southland District. In addition, the site is specifically set up to meet the bespoke needs of the BSM operations (e.g. the extensive wastewater treatment and disposal infrastructure).

The Plan Change is also the most efficient method as there is no other industrial zoned land in the Southland District that can accommodate the BSM wet industry operations. The only available site is located in Makarewa, however it is unable to accommodate the wastewater treatment and disposal needs associated with the processing plant operations.

In light of the reasons above, rezoning the current BSM site to the General Industrial Zone is considered to be the most efficient and effective way to enable the continued, and future expansion of, operations at the BSM processing plant.

The plan change provisions are effective in achieving the purpose of the Plan Change for the following reasons:

- The rezoning of the site will provide a more suitable land use zoning that better aligns with the established industrial land uses on the site, and ensure that the site is not unduly hindered by the presence of highly productive soils;
- The enabling of further development and expansion opportunities at the site will provide clear social and economic benefits for the Southland District; and
- The proposed provisions have been developed based on the recommendations of various technical assessments, which have taken into account the particular features and characteristics of the site and specific potential effects on the environment generated at the site.



3.2.4 Risks of Acting or Not Acting

Section 32(2)(c) of the RMA requires, in the evaluation of the proposed provisions, the consideration of the risk of acting or not acting if there is uncertain or insufficient information about the subject matter.

The proposal is supported by a number of technical assessments including economic, landscape and visual, transport and hazardous substances. The proposed provisions (including the Blue Sky Precinct) have been developed to incorporate recommendations from these technical assessments and ensure that any potential adverse effects on the environment and surrounds can be appropriately managed.

It is therefore considered that there is sufficient and certain information supporting the Plan Change, and there is little risk associated with the plan change going ahead.

For completeness, it is noted that the risk of not acting (not pursuing this plan change) is the very real risk that BSM will not be able to undertake any further development on the site that increases the footprint of the processing plant, and as previously noted, there is no alternative industrial-zoned land in the Southland district that can accommodate the bespoke wet industry requirements of the BSM processing plant. This will mean that BSM cannot realise any further efficiencies or improvements in meat processing capacity, and the substantial economic and social benefits cannot be provided to the wider Southland district.

3.3 SUMMARY OF THE REASONS FOR DECIDING ON THE PROVISIONS

Progressing a private plan change to the District Plan (Option 2) is the most appropriate way to achieve the objectives because it would better align the long-standing industrial activities established on the site with a more appropriate zoning in the District Plan, whilst also enabling the future expansion of the BSM Morton Mains processing plant. These future development works will increase the efficiency and productivity of the processing plant and have substantial economic and social benefits for the wider Southland District.

The provisions are effective and efficient in that the amendments to the District Plan, including the Blue Sky Precinct, provide an integrated approach which appropriately manages potential adverse effects arising from the implementation of the plan change.

4. CONCLUSION

The main objective of the Plan Change is to provide long-term certainty for BSM's ongoing operations at the site and ensure there is sufficient capacity for future development / expansion at the site, in a manner which manages potential adverse effects on the environment.

The objective and supporting provisions are considered the most appropriate way to achieve the purpose of the RMA in that they provide for the reasonably foreseeable needs of future generations while managing adverse effects and safeguarding the life-supporting capacity of the environment.

It has been demonstrated that:

- The objectives of the Plan Change are the most appropriate way to achieve the purpose of the RMA and the proposed provisions are the most appropriate way to achieve the objectives;
- the Plan Change will have positive environmental, social and economic effects and that any potential adverse effects can be managed through the amended District Plan provisions and subsequent resource consent applications; and
- There is certain and sufficient information to support the Plan Change, and the cost of implementation is low compared to the cost of not acting.

