

# Issues and Options Paper

## RURAL CAPACITY ACROSS THE AUCKLAND REGION

### 1. EXISTING RURAL CAPACITY INFORMATION

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#### 1.1 EXISTING RURAL CAPACITY

The most relevant and up to date comprehensive assessment of capacity undertaken across the Auckland Region is the 'Capacity for Growth Study 2006'. This study was undertaken by Auckland Regional Council to assess the existing and future available land capacity for residential, business and rural residential land use activity. Discussions with Council staff have confirmed that the 2006 figures are the most up to date figures able to be provided on a regional basis.

The 2006 regional study is the only study that assesses capacity with a consistent methodology across the entire Auckland Region. Therefore for the purposes of the Unitary Plan it is the only consistent / reliable baseline data available.

A comprehensive analysis of the 2006 capacity data is set out in the document titled 'Capacity for Growth Study 2006', dated March 2010. The main report is supplemented by a paper summarising the methodology and assumptions applied to the 2006 capacity study. A copy of this study and the supplementary paper is available on the Council website. This document was prepared by the Auckland Regional Council and followed on from an Interim report prepared in 2008. The 2010 report is the final report. It is also the most recent and the most reliable therefore it is the findings of this report that are relied upon in this Issues and Options paper.

For rural areas the methodology used to assess capacity was to determine the number of vacant titles in the rural areas above 400m<sup>2</sup> in area. It was assumed that any vacant parcel smaller than 400m<sup>2</sup> was unlikely to be developed in a rural setting<sup>1</sup>. The study also included an assessment of the subdivision potential under the relevant district plans in place at that point in time. Subdivision rules applying across the region were categorised into two main groups; density based rules, and incentive based rules. The capacity study model then assessed each title in the rural areas against the subdivision rules set out in the relevant district plan to identify the subdivision potential for each title. The model assessed the subdivision potential against each available subdivision opportunity so that the maximum potential was identified. The only exception to the potential capacity model was that where subdivision was provided for in a district plan as a discretionary activity, that this was not included in identifying the potential capacity unless such applications for subdivision were generally granted.

The rural capacity results were summarised and the results are reported in three categories:

- Vacant titles with and without further subdivision potential; and
- Occupied titles with subdivision potential;
- An estimate of the number of new titles that can be created under the subdivision rules existing as at March 2006.

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<sup>1</sup> Page 15 'Capacity for Growth Study 2006' – Methodology and Assumptions Summary, March 2010



The results of the 2006 Capacity Study are as follows<sup>2</sup>:

Capacity Source	Vacant titles with no subdivision potential	Vacant titles with subdivision potential	New titles (i.e. those arising from the subdivision potential)	Total
Rural Area	5,736	1,653	17,064	24,453

**The actual capacity i.e. existing vacant sites as at 2006 was 7,389.** The capacity study estimated a further potential for 17,064 sites to be created by way of subdivision utilising the subdivision rules existing as March 2006.

The 2010 Capacity for Growth Study report provides updated rural capacity figures. The updated figures are based upon further analysis of the likely 'take up' of the identified subdivision potential and represent 62% of the surveyed total shown in the table above.

The greatest change was in relation to the capacity identified for the Rodney District, which was reduced by 50%. The basis of this reduction was that much of the identified potential was derived from incentive based subdivision, such as enhancement planting, which requires a significant investment to achieve the issue of titles.

Further to this a rural capacity study undertaken by the Rodney District Council, dated 2009, refined the likelihood of the 'take up' of the identified subdivision potential using two assessment criteria:

- Distance to key markets; and
- The ease of subdivision.

The North Shore, Waitakere, Auckland City figures were all reassessed, within the 2010 Capacity for Growth Study, at 95% of the figures identified in the 2006 study, whilst the figures for Manukau and Papakura were revised to 75% of the amount of potential determined by the 2006 study. The Franklin figures for subdivision potential were retained at 100% of the potential identified through the 2006 study.

The revised rural capacity figures are shown in Table 25 of the 2010 Capacity for Growth Study report as set out below:

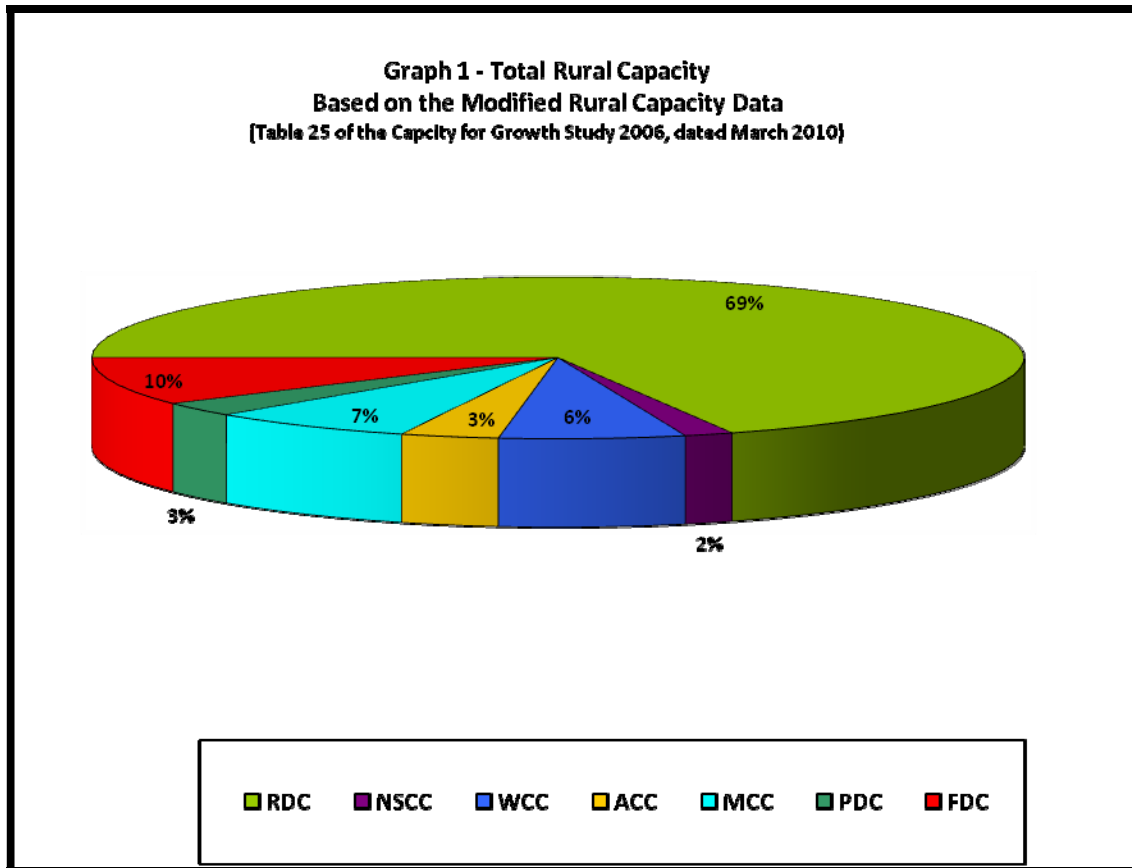
TA	MODIFIED CAPACITY ASSUMPTIONS	MODIFIED CAPACITY
RDC	50%	8,427
NCCC	95%	390
WCC	95%	1,492
ACC	95%	789
MCC	75%	1,307
PDC	75%	523
FDC	100%	2,347
<b>Total</b>	<b>62%</b>	<b>15,275</b>

<sup>2</sup> Table 24 'Capacity for Growth Study 2006', March 2010



The existing capacity in the rural areas of the Auckland region is therefore 15,275 existing and potential sites. Breaking this down the modified study estimated that there was potential for an additional 7,886 sites to be created, rather than 17,064 as originally estimated (15,275 – the existing vacant sites 7,389 = 7,886).

The pie graph below depicts the total rural capacity based on the modified 2006 rural capacity data that is presented in the 'Capacity for Growth Study 2006', dated March 2010.



## 1.2 ADDITIONAL RURAL CAPACITY INFORMATION

Further to the 2006 regional capacity study some Territorial Local Authorities (TLA) within the Auckland Region undertook further capacity assessments. Papakura, Franklin, Rodney, and Waitakere Territorial Local Authorities undertook their own growth strategies and / or rural capacity studies after the 2006 Auckland Regional Council study was completed. Primarily these studies were undertaken in response to rural growth issues in those District's. These growth strategies and capacity analyses also provided the localised detail required to implement the Auckland Regional Growth Strategy and the respective Sectors Agreements<sup>3</sup>.

The quality of the capacity output information was reliant upon the quality of the base data held by the various TLA's, for example records of dwellings on sites. Some TLA's did not hold accurate information on whether or not there was a dwelling on a site and records such as improvement

<sup>3</sup> 'Best for the West – Growth Strategy for Waitakere – page 18 and Rodney District Dwelling Capacity Exercise 1: Rural Capacity Study 24 November 2008, page 6.



values from property valuation / rates information was utilised rather than building consent information. Further where a dwelling was recorded in some instances this was recorded for a property rather than a specific certificate of title; this is a potential issue as in rural areas a property such as a farm may constitute a number of certificates of title.

Further, the updated studies undertaken by the TLA's in some instances utilised different methodology, for example the Rodney study, 'Rodney District Dwelling Capacity Exercise 1: Rural Capacity Study 24 November 2008', adopted a cascading methodology to assess subdivision potential on sites within the rural area (i.e. it took into account the fact that a site might be able to be further subdivided numerous times utilising the various subdivision provisions within the plan). This differed from the methodology utilised in the ARC 2006 capacity study, which did not assess the further subdivision potential of subdivided sites. The cascading methodology utilised by Rodney therefore indicated a higher potential rural capacity.

The different methodologies were commented on recently in the Environment Court rezoning appeal Coatesville Countryside Residence Group vs Rodney District Council, in which the Auckland Regional Council was a s.274 party. In this case the Court stated:

*"Apparently, the basis upon which the Regional Council have come to this conclusion is by a redefinition of Countryside Living to include all of the General Rural area of Rodney district. We do not agree that their approach is appropriate. Essentially, the Regional Council has adopted a 'one-size fits all'<sup>4</sup> approach with a cut-off of 7ha [sic] minimum sized property for assessing subdivision potential. This is based upon no policy statement that was drawn to our attention.... The only proper and appropriate approach is to adopt the approach of each Proposed Plan to the question of Countryside Living. In this case, Countryside Living is to be accommodated within that zone rather than the General Rural area."*

The reference in this Court decision to the ARC redefinition of countryside living refers to the decision in the 2008 Interim Report to establish a 'proxy' for countryside living. The Capacity for Growth Study 2008<sup>5</sup> Interim report states:

*Countryside living is a difficult issue to quantify. The definition of what constitutes a countryside living title is not simple as there are many anomalies....*

*Because of these problems, a proxy for countryside living has been used. For the purposes of this study countryside living was understood to be a subdivision rule that allows sites smaller than 8 hectares to be created. If a site is vacant, and is subject to a rule that allows sites smaller than eight hectares, then that site is regarded as countryside living vacant, even if it is larger than eight hectares. The eight hectare cut-off was used for two reasons:*

- *A site that is smaller than eight hectares is far more likely to be used for non productive purposes than one that is larger*
- *The eight hectare rule has already been used by ARC in previous studies and in evidence to the LGAAA hearings.*

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<sup>4</sup> Coatesville Countryside Residence Living Group v Rodney District Council – pages 28 - 29

<sup>5</sup> Capacity for Growth Study 2008 Interim Report, May 2008 Technical Publication 369



*General rural is defined as a subdivision rule that requires any new site to be eight hectares or larger. If a site is smaller than eight hectares and is vacant, but its subdivision rules are classified as general rural, then it is classified as a countryside living opportunity, and is added to the countryside living total. If it is eight hectares or larger, then it is included as part of the general rural vacant total”.*

The Papakura Rural Capacity Analysis assessed the number of existing vacant titles in the rural area that could have a dwelling erected on the land as a permitted activity, and also assessed the capacity in addition to existing vacant titles as being the additional capacity available through subdivision entitlement and associated housing development potential.<sup>6</sup>

Rather than undertaking capacity analyses, some Council’s such as Franklin and Waitakere prepared growth management strategies. The Franklin Rural Growth Strategy and ‘Best for the West’, the Growth Management Strategy for Waitakere District; are strategic planning documents designed to assess a range of options for growth within those Districts. These strategies identify the growth issues for the District and then identify a range of options for managing those growth issues. The desired growth options are reflected in the Strategy.

The Manukau Rural Strategy appears not to have been finalised and exists as an ‘Interim Decision’. The cover sheet states that the document is “A Strategy to manage population growth within the rural area of Manukau over the next 20 years and beyond”. The document sets out the existing capacity for growth in the rural areas of Manukau to provide a baseline for the capacity figures used the Strategy. The Strategy states:

*At present, approximately 617 lots could be theoretically established in the rural area of Manukau. Most of which would be native bush lots or rural-residential lots under Rural 1 Zone provisions. It is important to note that the actual number of lots that could be created through subdivision is likely to be less than this 617 lot figure....*

*In order to accommodate additional opportunities for countryside living or lifestyle development to occur within the rural area of Manukau, the Council released Plan Change No.8 Whitford Rural, which rezones approximately 3,700 hectares of land in the Whitford Study Area for countryside living purposes...”*

### **1.3 Reviews of the 2006 Data Undertaken by Auckland Regional Council**

The rural capacity figures were reviewed and published in the July 2008 document titled ‘Capacity for Growth 2008 Interim Report’. The Executive Summary of that document stated:

*“The Capacity for Growth study monitors and reports on residential, business and rural land availability within the region. The capacity assessment is based on the policies and rules of the region’s territorial authority district plans as at March 2006.*

*The Regional Policy Statement requires that Capacity for Growth surveys be undertaken once every five years for the purposes of managing urban containment (Section 2.6.3.6). The Capacity for Growth study is also required for monitoring the progress and implementation of the Regional Growth Strategy and has been a significant part of the Growing Smarter Evaluation 2007. This is the third study in the series with previous reports prepared and reported to the council in 1998 and 2003”.*

<sup>6</sup> Papakura District Rural Capacity Analysis – July 2008 – page 2.



This Capacity for Growth Study was also in response to the requirement of the Auckland Regional Policy Statement for capacity for growth surveys to be undertaken once every five years for the purposes of managing urban containment and also for the purposes of monitoring the progress and implementation of the Regional Growth Strategy. The Executive Summary of the 2008 Interim Report states that:

*“The Capacity for Growth study is also required for monitoring the progress and implementation of the Regional Growth Strategy and has been a significant part of the Growing Smarter Evaluation 2007. This is the third study in the series with previous reports prepared and reported to council in 1998 and 2003.*

*This is an interim report (May 2008) as it does not include capacity results for the region’s rural townships and coastal settlements. The capture of data for these areas is programmed to commence in June 2008...”*

The primary relevance of the 2008 report is the way in which it utilised the data in assessing any site under 8 hectares in area as a countryside living site, and any site 8 hectares or greater to be a rural site.

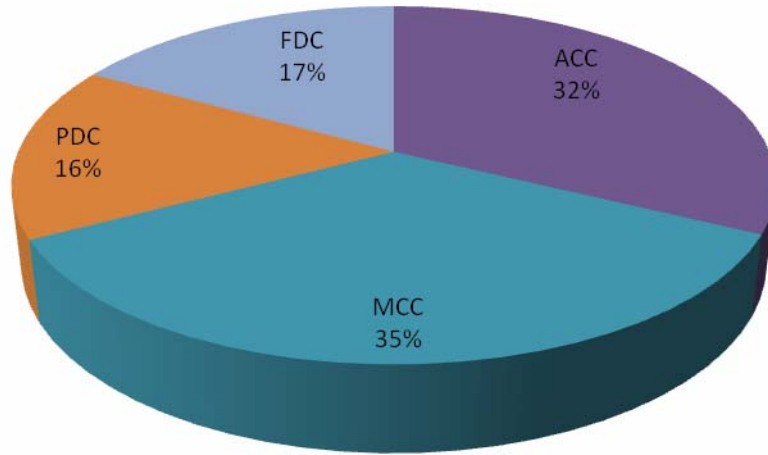
The following graphs demonstrate the difference between the countryside living only figures (i.e. sites less than 8 hectares in area) and the general rural only figures (i.e. sites 8 hectares or greater). The 2008 Capacity for Growth Study Interim Report (ARC), based on the 2006 data, states:

*“Only five per cent of future subdivision capacity in the Auckland region is classified as general rural, Forty per cent of this is situated on vacant titles, with the remainder on titles with dwellings already built. Subdivision rules that are classified as general rural only exist in Manukau City, Papakura District, Franklin District and the Gulf Islands in Auckland City”.*

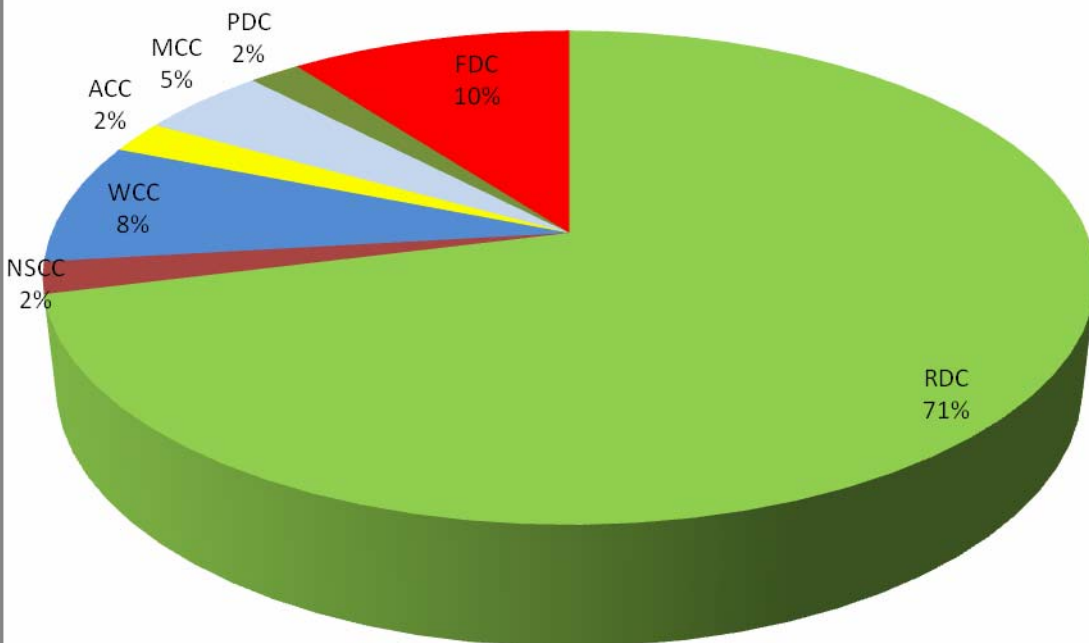
It should be noted that the actual figures for rural capacity in the 2008 Interim Study do not equate to the 2006 figures which are clearly utilised in the 2010 report. The reasons for this are unclear, however discussions with Council staff involved in the various Capacity for Growth reports indicate that the 2008 variation is possibly related to a re-run of the data that may have amended a query or possible changes in relation to parameters or the assumptions adopted. Consequently I have interpreted the data and shown it as a percentage in the following pie graphs.



**Graph 2**  
**GENERAL RURAL CAPACITY 2006**



**Graph 3**  
**Countryside Living Capacity 2006**



Whilst the overall figures of the 2008 study differ from the 2006 data the figures are consistent with the broad findings of the 2006 data set out in the March 2010 document. The broad findings indicate that the majority of countryside living opportunities (i.e. sites under 8 hectares) exist in the general rural zones, rather than in areas specifically identified for countryside living purposes. The majority of the capacity is also located within the Rodney District.

#### 1.4 Factors Influencing Change to the 2006 Rural Capacity Data

As stated, the 2006 rural capacity data is based on the rules that existed in the relevant District Plan documents existing as at March 2006.

Since 2006 there have been significant changes to many of the District Plans within the Region which have both removed and added to potential available rural capacity. For example there have been significant areas of land rezoned for urban development, not all of which was in future growth zoned areas, even though the land areas may have been subject to structure plans. Such areas include Takanini, Flat Bush and Long Bay for example. There have also been changes to subdivision rules in some plans that have enabled additional rural capacity, for example the introduction of a rule as a result of appeals to the Rodney District Plan process enabling the creation of sites of 120 hectares or greater, Plan Change 32 – Clevedon Village to the Manukau Plan and Plan Change 63 to the Rodney District Plan enabling sites of 5000m<sup>2</sup> to be created, in some specific circumstances, in the Omaha Flats / Point Wells area.<sup>7</sup>

There are also a range of plan changes currently being processed, for example Rural Plan Change 14 in Franklin, which if approved, will impact on rural capacity. In addition to plan changes currently being processed there are also a greater number of structure plans, either being prepared, or adopted by previous TLA's that signal additional rural growth or remove rural land for urban development. All of these factors combine to influence the overall rural capacity of the Region both positively and negatively, meaning that potential available rural capacity is a 'work in progress'. The relevant documents that signal, or provide for additional growth, or that remove rural land for urban development are set out in the table in **Attachment 2**.

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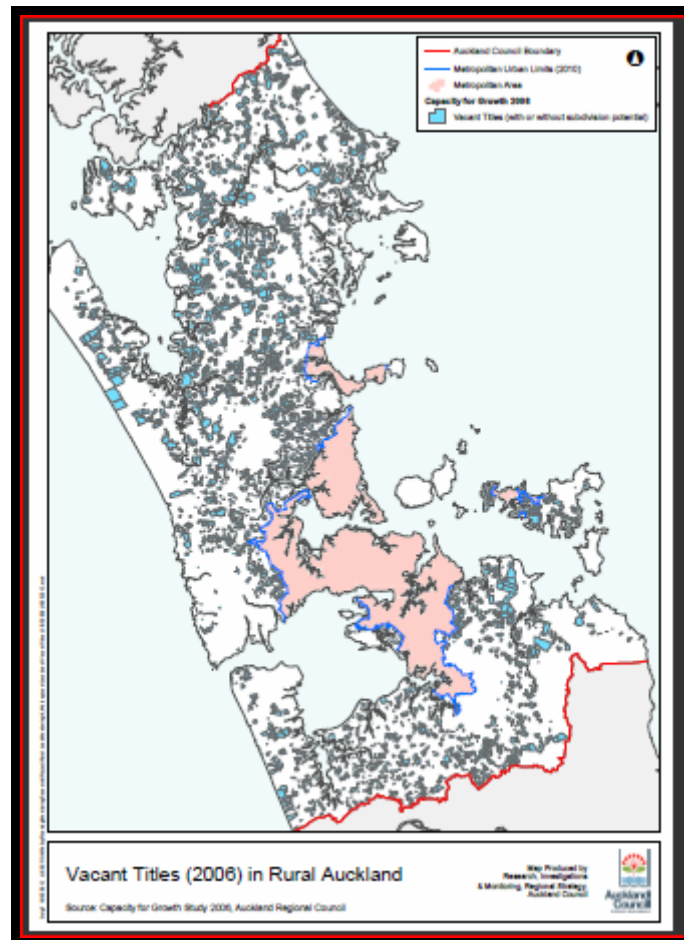
<sup>7</sup> Section 4.4.3 of the March 2010 document sets out 'Pipeline Rural Area Capacity'





## 1.5 DISTRIBUTION OF VACANT RURAL SITES IN THE REGION

The following map shows the vacant titles existing in the Region based on the 2006 Census data. An A3 copy of this Plan is attached as **Attachment 3**.



The above map shows only vacant titles as at 2006. Given the six year time lapse between then and now there will have been some change in the numbers and possibly some change to the distribution of these vacant titles. Factors that may have influenced these changes include:

- The economic downturn and people seeking lower cost land in areas that typically had a lower demand e.g. some parts of the west coast rural areas.
- Extensions to roading infrastructure may have increased demand in some areas as they become more accessible as a result of roading improvements, for example the western motorway extension and the Orewa to Puhoi extension.
- Improvements in technology such as high speed broadband, remote access to servers etc, also enable more people to live in rural areas and work from home meaning that distance is potentially less of a deterrent.
- Areas of rural land being rezoned, or identified for rezoning through structure plan processes. This process can increase demand in areas as people see them as better 'investments' in the long term and also areas where there is more likely to be positive growth and investment in infrastructure etc.

The above map does however show that there is a reasonably even scattering of vacant sites across the region. Proportionately though, it appears that the density of vacant sites, existing in 2006, is

greater in the western parts of the region, than the eastern parts. This is probably a reflection of desirability of land and associated demand.

It is also relevant to note that there are no vacant sites shown for Kawau Island or Great Barrier Island. In practical terms I think this is unlikely and potentially the reason for this is that data was not available, or the issue may be related to mapping scale, however the reason/s for the lack of this information needs to be determined.

The March 2010 study provides analysis of the location of vacant titles by zone. Sections 4.4.5.1 and 4.4.5.2 of the March 2010 study address the 'Rural Area Capacity by Zone Type' and also the capacity of vacant titles which can, in most cases, accommodate a dwelling as of right.

The results of the analysis show that:

- 71% of rural capacity can be defined as Countryside Living i.e. sites less than 8 hectares.
- Of the total Countryside Living capacity only 18% of the capacity is located in areas zoned specifically for Countryside Living purposes. The majority of Countryside Living opportunities exist in the general rural zoned areas with 12% of Countryside Living opportunities being located in landscape or ecological protection zones.



## 2. POLICY FRAMEWORK

### 2.1 Auckland Plan Framework

The Auckland Plan was released publicly in May 2012.

Chapter 9 of the Plan addresses Rural Auckland.

The strategic direction in relation to rural areas is to “keep rural Auckland productive, protected and environmentally sound”. The targets identified to meet the strategic direction include:

- Increase the value added to the Auckland economy by rural sectors (including rural production, complementary rural enterprises, tourism and visitor experiences in rural areas) by 50% by 2040.
- Between 2013 and 2020, no more than 10% of all rural subdivision will be in the rural production, rural coastal and islands activity areas.

The stated priorities are:

- Create a sustainable balance between environmental protection, rural production and activities connected to the rural environment.
- Support rural settlements, living and communities.

It goes onto state that:

*“Pressures on rural Auckland, such as population growth, demand for rural living and rural experiences is subject to a range of pressures, such as population growth, demand for rural living, diminishing and stressed ecology and natural systems, and changing land values create tensions between different activities and values. Conversely, locally grown food, tourism, recreation and productive activities made possible by proximity to urban Auckland”.*<sup>8</sup>

The plan notes the downsides of growth to be:

*“The population in rural Auckland – including towns and settlements – has grown at a rate of 7,500 people per year over the last two census periods, making up 27% of Auckland’s 28,000 annual population increase. Many changes are welcome, such as protection of areas of bush, and student growth in rural schools. Some areas have prospered as a result.*

*However, there are disadvantages: the long-term consequences of prolific subdivision across rural areas, the fragmentation of productive land, the domestication and commercialisation of rural landscapes, the introduction of sensitive land uses into working environments and the inefficient use of developable land”*<sup>9</sup>

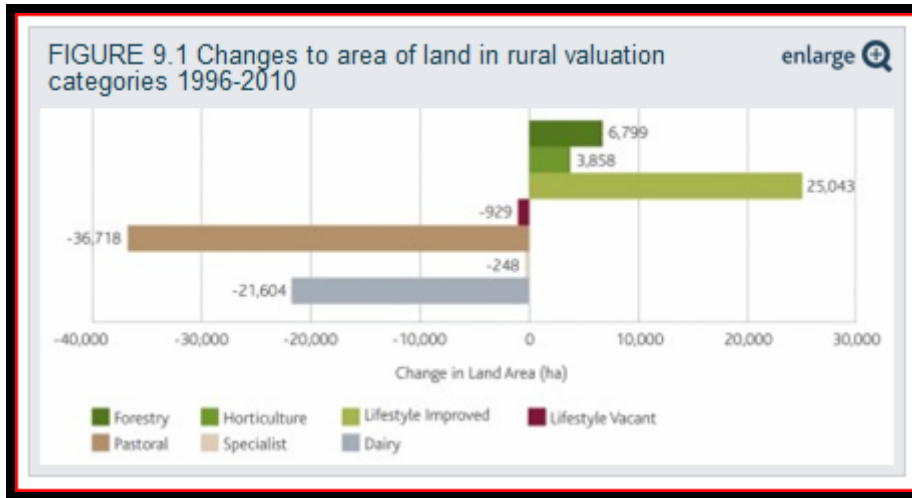
The figure below shows that traditional pastoral and dairy farming is becoming less prevalent across the region and that the land area now occupied by rural lifestyle blocks has increased significantly above other land uses.

<sup>8</sup> Paragraph 530 – page 221, The Auckland Plan

<sup>9</sup> Paragraphs 531 and 532 – page 221, The Auckland Plan



## Increase in Land Area of Rural Lifestyl Blocks 1996 and 2010 (25,000ha)



The Plan states that a new Rural Urban Boundary (RUB) will identify the long term limit to potential urban growth and that “...Greenfield growth within this RUB will be delivered in an orderly, sequenced way over the next 30 years. The RUB will also manage the growth of rural towns and larger rural and coastal villages. Significant new urban development will not occur in rural areas falling outside this new RUB.”<sup>10</sup>

The plan identifies priorities.

### Priority 1

*Create a sustainable balance between environmental protection, rural production and activities connected to the rural environment”.*

This involves the encouragement of growth and urban development to be focused in satellite towns and rural and coastal towns and discourage growth in other rural areas.

### Priority 2 is to “

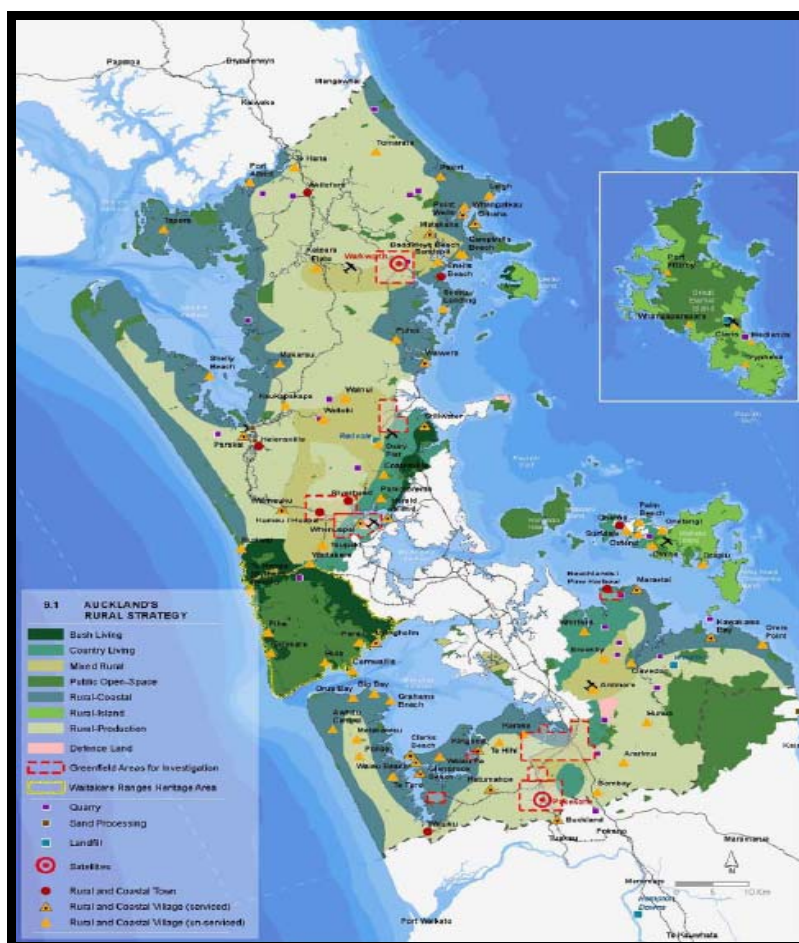
*Support rural settlements, living and communities.*

The Plan steers future population and business growth in our rural areas to two significant satellite towns, and to a lesser extent in particular rural and coastal towns, rather than providing for growth in rural areas through scattered subdivision of rural land; or the conversion of potentially productive land for countryside living. Some limited and scale-appropriate growth will, over time, also occur in smaller rural and coastal villages where it is of benefit to those communities.

Directive 9.4, related to Priority 2, states that future planning for rural towns and villages will be undertaken in line with the functional classification set out in Table 9.1, Schedule 2 of Chapter 9 – Rural of the Auckland Plan and principles and Chapters 10 and 13 of the Auckland Plan.

<sup>10</sup> Paragraph 533- page 223, The Auckland Plan

These priorities give a context for the future of Auckland’s rural areas. The map below outlines a broad strategy for the future of rural areas within Auckland (refer to **Attachment 4** for an A3 copy):



The broad rural strategy plan above categorises the rural areas into a number of activity areas demonstrating the identified direction of balancing rural productive activities and the demand for rural residential living opportunities.

## 2.2 Draft Auckland Regional Policy Statement

The Final Draft of the Auckland Regional Policy Statement review, dated August 2010 provides a current review of the operative Auckland Regional Policy Statement (ARPS), which became operative on 31<sup>st</sup> August 1999. The Final Draft of the 2010 review document was just prior to the amalgamation of the regional council and seven territorial authorities into the Auckland Council which came into effect on 1<sup>st</sup> November 2010. A handover document to the new Auckland Council, titled the ARPS Handover Report, accompanied this review document.

A primary focus of the review in relation to rural areas was:

*“on improving and clarifying the intent of the policies that were introduced in Proposed Change 6 in relation to countryside living, new rural and coastal settlements and existing rural and coastal settlements. The overall objective for the rural environment is to*



*ensure that the rural area remains available for primary production purposes and is managed in a way that promotes compact urban form. This is achieved by a policy framework that prevents further fragmentation of land and limits or restricts the establishment of urban activities. The policies are intended to enable countryside living, but acknowledge that there is sufficient capacity to meet demand and there is a need to be more directive as to where and how development should proceed”.*<sup>11</sup>

The Final Draft document provides an overview of the resource management issues relevant to the Auckland Region together with suggested policies and methods to address the issues to ensure that the resources of the region are managed in a sustainable and integrated manner<sup>12</sup>.

The following statements from the Draft ARPS are relevant to the issue of the usefulness of capacity data:

- The Auckland region is one of the fastest growing regions in Australasia.
- Since 2001 the regional growth rate has been higher than other regions, accounting for almost half the national population growth during the period 2001 – 2006.
- This rapid growth is likely to continue, with the regional population possibly reaching two million by 2036 representing an increase of almost 700,000 people (53% per cent) from the current number.
- Between 2001 and 2006 an estimated 66 per cent of the region’s growth came from immigration.
- In terms of internal migration more people moved out of the Auckland region to live in other regions than the other way around.<sup>13</sup>

Chapter two of the draft ARPS states the ‘*Issues of Regional Significance*’. The following Issues are relevant to determining whether or not capacity data is a useful tool to utilise in identifying regional growth issues and managing regional growth.

- *2.1 Issue – providing for growth*  
*States that growth needs to be provided for within the existing urban area in a way that maintains the quality of the region’s environment, including its rural and coastal areas.*
- *2.5 Issue – sustainably managing our rural environment.*  
*This Issue states that “The subdivision, use and development of rural land is greatly influenced by its proximity to, and economic, social and cultural links with New Zealand’s largest metropolitan area. The interrelationship between urban and rural Auckland needs to be recognised and managed, to provide for existing and future generations...”*

The explanation to this Issue states that “*Ninety per cent of the land area within the Auckland region lies outside of the urban areas... There is a need to ensure that rural Auckland retains sufficient flexibility in terms of locational choice, landholding patterns, transport accessibility, and rural amenity to enable these different uses to continue*”.

There is a discussion relating to Countryside living provided under the Issue. The discussion states:

*Rural Auckland has a large number (over 11,300 in 2006) of small titles (eight hectares or less). Under district plan rules, as at 2006, there is potential to create approximately 20,000 further titles. Countryside living dwellings, as of 2006, were being built at the*

<sup>11</sup> Page 17 – ARPS Handover Report October 2010

<sup>12</sup> Introduction, Page 7, Draft Proposed ARPS Final Version: 2010 08 31

<sup>13</sup> Above bullet points taken from Draft ARPS 2010, page 12.



*rate of 650 new dwellings a year. At this rate, it will take at least 20 years to exhaust the existing provision for countryside living. Despite the adequate capacity, there is a continuing expectation in parts of the regional community that further land subdivision into smaller lots should continue. This has the potential to foreclose future options for primary production purposes and impact on rural character and amenity. Managing the existing pool of subdivided lots and the form, scale, and location of further rural subdivision is a key factor influencing the sustainable management of our rural environment”.*<sup>14</sup>

Chapter 3 of the draft ARPS sets out the Resource Management Direction for Auckland. The following matters are relevant to rural areas and whether or not capacity data would provide a useful tool for monitoring and managing the sustainable management of the natural and physical resources of the rural areas of the region:

- Rural areas retain their character, amenity and productive potential. This is achieved by:
  - *Ensuring that the productive potential of rural land is maintained and protected ...*
  - *Ensuring a compact and contained urban form that does not extend in to rural areas;*
  - *Focussing any necessary growth requirements into existing urban areas including the rural and coastal settlements;*
  - *Limiting further subdivision for countryside living;*
  - *Limiting further rural subdivision to protect rural character; particularly in those rural and coastal environment areas that have high natural character, landscape and amenity values...*<sup>15</sup>

Chapter 7 addresses the ‘Rural Environment’. The focus of the rural chapter can be summarised by the blurb contained in the green shaded area on pages 86 and 87. The excerpt is included below:

*“The objectives and policies in this chapter establish a framework for the management of the rural environment in the Auckland region that:*

***directs*** *activities in the rural environment to be rural related, and prevents urban activities from locating outside the MUL and outside the limits of rural and coastal settlements;*

***prevents*** *further subdivision of rural land into small lots (eight hectares and under);*

***relocates*** *existing undeveloped small lots to areas that are more supportive of a countryside living lifestyle;*

***results*** *in rural areas with the following characteristics:*

- *rural land remains available for primary production, particularly rural related activities that support the national, regional and local economy;*
- *the landscape and character of productive rural areas remain typical of a working rural environment;*
- *ecosystem/biodiversity corridors are supported;*

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<sup>14</sup> Draft ARPS, page 32.

<sup>15</sup> Draft ARPS, page 41.



- *countryside living is located in areas in close proximity to urban areas and not on productive land.*

The Overview to Chapter 7: Rural Environment notes that *“The role that rural and coastal settlements play in accommodating the region’s growth is set out in chapter 5 of the draft ARPS... This chapter on the rural environment focuses on defining what constitutes appropriate activity in the rural environment. The approach recognises that a rural lifestyle is attractive to many Aucklanders, so is intended to enable countryside living, while balancing this against protection of productive capacity and rural amenity”.*

The following objectives and policies are directly relevant to the issue of whether or not capacity analysis is a useful tool for determining a policy framework for rural areas in the Unitary Plan and also monitoring the effectiveness of planning provisions within the Unitary Plan now and into the future. There are also objectives and policies in other chapters of the draft ARPS that are also relevant but to a large extent the issues are interrelated with those resource management issues addressed in the relevant objective and policies detailed below.

**Objective:**

7.2.5 *To prevent further fragmentation of rural landholdings.*

**Policies:**

7.3.2 *Managing activities in rural areas*

*The rural environment shall be managed so that:*

- a. *the different land use types and their associated rural character are identified and managed accordingly;*
- b. *the life-supporting capacity of the soil is safeguarded;*
- c. *potential reverse sensitivity issues are minimised;*
- d. *there is no increase in urban activities in areas zoned as rural;*
- e. *sustainable land use and management practises are promoted;*
- f. *...*
- g. *the rural character is maintained (see policy 7.3.3);*
- h. *...*
- i. *...*
- j. *the features and characteristics of the Waitakere Ranges Heritage Area, which contribute to the natural and cultural heritage, recreational, landscape and amenity values of the rural environment, are protected and enhanced;*
- k. *the features and characteristics of the rural areas within the Hauraki Gulf Marine Park area, which contribute to the natural and cultural heritage, recreational, landscape, and amenity values of the rural environment, are protected and enhanced.*

7.3.3 *Maintaining rural character*

*To maintain the rural character of an area when managing subdivision, use and development the following matters shall be considered:...*

7.4.1 *Managing rural subdivision*





*Land in the rural area outside the countryside living zones shall be managed to ensure that there is no further increase in the number of small lots (less than and equal to eight hectares), subject to policies 7.4.2 and 7.4.3.*

#### 7.4.2 Countryside living lots

*The provision of lots for countryside living purposes within the rural area shall be managed by:*

- a. allowing for the relocation of existing and / or consented countryside living lots within the rural area to countryside living zones, where that relocation will better achieve the outcomes sought through policies 7.4.4 and 7.4.5.*
- b. restricting the number of additional lots for countryside living purposes to the subdivision opportunities available under the applicable district plan(s) unless it can be shown that:
  - i. there is insufficient provision for countryside living within the relevant geographic sector, having regard to the Capacity for Growth Study 2006 (ARC March 2010);*
  - ii. the outcomes sought through policies 7.4.4 and 7.4.5.**

#### 7.4.3 Environmental protection lots...

This policy states that if an environmental lot is created then it should be transferred to either a countryside living zone or a rural and coastal settlement.

#### 7.4.4 Managing the location of countryside living zones...

#### 7.4.5 Managing the design of countryside living...

In Chapter 4: Rural Environment, the ARPS Handover Report, dated October 2010 states:

*“Historically the ARC has identified the loss of productive soils in the region as a regionally significant issue. Protection of the rural land resource still drives resource management direction but there is an increasing focus on the retention of rural character and amenity, and on the role that the rural area plays in the region’s economy”.*

## 2.3 Local Board Plans

A review of the relevant Local Board Plans has been undertaken. Generally the plans do not provide detailed comment or policy direction in relation to rural land management, including the issue of capacity and subdivision. However the Rodney local board plan states a priority as being to *“actively manage growth and retain coastal and rural character”*. A similar statement is reflected in the Waiheke plan which states that *“maintaining the character of the Islands...”* is recognised as important.

The Upper Harbour local board plan reflects the importance of containing urban sprawl and states:

*“We think that the metropolitan urban limit (MUL) running through Upper Harbour should be maintained where it is to protect our valued rural areas and green spaces... Growth must not come at the expense of our green spaces and rural areas...”*



The Franklin local board plan seeks a healthy, thriving economy so people can live and work locally. The plan states an important goal as being to build the rural economy and discusses the challenges associated with achieving a balance between keeping land resource available for a working rural economy and providing for growth.



### 3. ISSUES and OPTIONS

#### 3.1 ISSUES - IS CAPACITY DATA A USEFUL TOOL?

In addition to the potential available rural capacity defined by the 2006 study, and also by subsequent TLA studies, the comments made by the Environment Court in the Coatesville Countryside Residence Living Group v Rodney District Council case demonstrate a key issue with the accuracy of any type of capacity analysis. The issue of 'take up', how this is defined, identified and measured.

In the Coatesville Countryside Residence Living Group v Rodney District Council the Environment Court stated:

*"Accordingly, we do not accept the assumption of the District Council, or Regional Council, that rural residential dwellings can be absorbed within the General Rural area, especially to the level of 14,000. The Rodney District dwelling capacity ...indicates that at the 2006 Census there was a dwelling count for the rural area of 11,316 properties. There were approximately 4,000 vacant titles in 2008. A yield of another 14,000 titles would more than double the rural dwelling numbers and represents nearly halving of the average size of the lots within the district. Neither of these outcomes are ones contemplated either in terms of the ARPS or in terms of the Proposed Plan".*

The above commentary from the Court decision, although relating specifically to the Rodney data, highlights an issue with capacity studies in general in that achieving consistency and accuracy of data is a fundamentally difficult exercise.

Quantifying rural capacity can be undertaken in a number of ways however I understand that a cascading methodology is to be adopted for the new rural capacity data which Council is currently working on. As discussed above a cascading methodology was utilised by Rodney District Council in the rural capacity study undertaken by that Council and published in 2009.

The accuracy and reliability of capacity information is influenced by many factors such as:

- the consistency and accuracy in the recording of base data; for example, whether or not there is a dwelling on a site and how a site or property, for example, is defined;
- the likely 'take up' rate of available rural capacity; and also
- the likelihood of potential being realised through subdivision.

The Rodney District Council rural capacity study dated 2009 attempted to address some of these issues by assessing the likelihood of take-up based on factors such as the distance to key markets and the ease of subdivision.

Section 5 of the Franklin District Growth Strategy rightly stated that:

*"It was preferable to explore the effects of more rapid population growth as most of the risks of managing growth relate to underestimating rather than over estimating the pace of change. If population growth is slower than projected, then the release of land for new development and building of new infrastructure can be delayed".*



There will always be an issue with respect to the accuracy of any capacity data. Accuracy relates to the basis upon which the data is formed; or collected and the assumptions that are made. The aim is to attempt to reflect reality as closely as possible. One of the most difficult factors in trying to resemble the reality of development potential in the rural areas is determining what any potential take up may be over time. A vast range of factors will influence take up i.e. the demand for land; the cost of land; demand to live in certain locations, scenic beauty, access to parks, beaches etc; accessibility to urban areas, work places, ease of access and the availability of public transport modes all will influence people's decision to live in a particular place or not. The demand for 'take-up' will influence the degree to which the available capacity is utilised or the potential remains latent i.e. unused.

### **3.2 VALUE / SHORTCOMINGS OF THE AVAILABLE DATA**

The value in the existing 2006 rural capacity data is that it provides a region wide perspective. The shortcomings are that the data is getting increasingly outdated and also strongly influenced by the significant number of rural plan changes, structure plans and district plan resolution processes that have occurred since 2006.

To update the existing data set and establish reliable capacity data for the rural areas of the region will require a standardised approach / methodology to the interpretation and application of the subdivision provisions existing in the various district planning documents at the present time.

There would also be value in preparing a data set that reflected what would happen to capacity if all existing plan changes and or structure plans relating to land in rural areas were implemented.

In the south, in particular, there are significant areas of land earmarked for transition from rural to urban development and plan changes, such as Whitford, that enable a greater density of rural residential development. As discussed above, such factors will individually and collectively influence rural capacity.

It is understood that Council is currently preparing to undertake an updated capacity study that will utilise the cascading methodology. It is recommended that this study also consider the future use of the data that it will generate.

In relation to rural areas there would be significant benefit in the study achieving a consistent approach to the categorisation of rural residential sites in respect to how these sites will be defined in the Unitary Plan, improving the reliability of the data base with respect to whether or not a dwelling exists on a site i.e. an individual certificate of title, rather than a property that could constitute a number of certificates of title and also setting a benchmark for how the potential capacity will be assessed in relation to subdivision opportunities existing.

The potential capacity based on subdivision needs to be consistent and consider factors such as whether or not the potential should only assess controlled and / or restricted discretionary subdivision opportunities and exclude discretionary activity subdivision types. There also needs to be a consistent approach determined for assessing the likely 'take up' once the figures have been determined. For example the Rodney 2009 Study determined that only approximately 50% of the capacity determined in the 2006 regional study was likely to be utilised for a number of reasons including travel distance and the ease with which subdivision consent could be obtained.



### 3.3 ISSUES ASSOCIATED WITH AVAILABLE REGIONAL RURAL CAPACITY DATA

The issues relating to rural capacity can be summarised as follows:

- Reliability of data
- As discussed above the existing regional data needs to be updated. The updated data needs to be founded on a consistent methodology that reflects the range of rural subdivision options available throughout the region. It may be beneficial to differentiate between subdivision achievable as a controlled or restricted discretionary activity, which is more certain of obtaining consent, and the subdivision options that are potentially available as a discretionary activity and are therefore less certain of obtaining consent. Data may be available to indicate the percentage of discretionary activity subdivision consents that are granted. This figure could then be used as a ratio to indicate likely actual additional capacity as a result of subdivision that may occur as a result of discretionary activity consents being granted.
- Updating Data
- Updating any rural capacity data for the region needs to be undertaken in a manner that reflects the areas of land likely to be removed from the rural area for urban development; reflect any changes to the MUL or RUB, and also any planned extensions to rural and coastal towns / settlements / villages. Such analysis is necessary to determine the extent and nature of the rural land areas that will be available in the foreseeable planning horizon.
- Take – up
- Work on forming a methodology to apply to any capacity data in respect of likely take-up of capacity would also be useful, but as noted is also problematic in respect of the wide range of factors that influence take-up, such as economic factors. One option to establish a marker for take-up would be to review the rate at which new subdivision is being sought across the region i.e. consenting data to be analysed in conjunction with existing vacant titles, with another potential layer being building consents obtained. If there was a high rate of consents seeking subdivision in a particular area, and the vacant titles were diminished from the 2006 data, this would tend to indicate a high rate of take-up.
- Usefulness
- Whilst capacity data has limitations it is also useful in many ways for establishing a benchmark. It is impossible to monitor every individual rural area and site. Capacity data provides a means to establishing a benchmark for rural areas which can be monitored over time. The Unitary Plan process provides an opportunity to develop a consistent and forward thinking methodology for monitoring the rate and nature of development in the rural areas of the region. Such information is valuable in a number of ways,



including as a tool to monitor the state of the environment and also as a tool to monitor the success, or not, of various policy initiatives.

In addition to the above is the fact that whilst various documents such as the draft ARPS state that there is no need to provide for any additional rural or countryside living development because there is already sufficient capacity; it is difficult to gauge the extent of the actual capacity. Not all the 'capacity' will actually be available. There are a range of reasons for this including physical factors such as land stability and topography i.e. land may be too steep to develop in an economically viable manner or may be too unstable. There will also be a portion of sites that would be too small to enable the construction of a dwelling on them, or too small to provide for on-site wastewater disposal. Many of these sites could not utilise boundary relocation rules to make them bigger and therefore should be discounted from capacity. For example any site less than 1500m<sup>2</sup> could be discounted because it will generally be too small to be able to be serviced with on site wastewater disposal, required reserve areas, and also contain a standard size dwelling in a complying location with appropriate areas for outdoor living.

There will also be sites that are integral parts of a functioning farming unit and therefore are unlikely to be separately sold for rural residential or countryside living purposes.

The usefulness of any updated capacity data for the rural areas of the region will be increased by considering these monitoring values of the data and ensuring that the methodology adopted is robust for current and future strategic planning and monitoring purposes.

### 3.4 RECOMMENDATIONS

It is recommended that the definition of a countryside living site relate to the maximum site size for countryside living purposes to be provided for in the Unitary Plan and that the study also retain the 8 hectare definition of countryside living as this will able changes over time, since 2006, to be assessed. Using a site size definition based on Unitary Plan rules for countryside living will enable state of the environment monitoring of Unitary Plan rules to occur in the future in an accurate way.

Data of existing dwellings also needs to be related to an individual certificate of title, rather than a property. Ascertaining this data may be difficult but will provide a reliable and robust basis for all future rural capacity work.

Future capacity studies will provide a useful state of the environment monitoring tool. Useful outcomes to assess from the capacity data include:

- Being able to measure take-up by location and zone in order to measure the success or not of various rules.
- Being able to measure changes in the location of existing titles e.g. if transferable title mechanisms are utilised it will be useful to assess where titles are being moved from and where they are being moved to.
- Being able to measure changes in site sizes as a result of boundary relocations / adjustments i.e. to determine whether or not existing titles are being changed to smaller sites that are likely to be solely used for countryside living or whether a mix of larger rural sites are retained or created.
- Differentiation between subdivision that can occur virtually as of right i.e. controlled and restricted discretionary activity types of subdivision and types of subdivision that may be



subject to greater scrutiny through assessment criteria, activity status etc and therefore where there is less guarantee that consent will be granted.

- Establish a consistent methodology for measuring 'take-up' for example this could be based on factors such as distance from rural towns, satellites and the RUB, market forces related to the desirability of some areas over others e.g. coastal areas over steep inland areas etc.

#### **4. CONCLUSIONS**

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Having reviewed the available capacity information for the Auckland region, including relevant planning documents such as structure plans and growth management strategies, it is concluded that capacity data is a useful planning tool for determining and monitoring resource management policy.

If the methodology that generates the data can be developed in a way that enables consistent utilisation over a planning period then capacity data can provide a useful tool for tracking changes over time as well as monitoring resource management policy related to land use and land management in the Auckland region.

The shortcomings associated with using capacity data as a resource management tool are the consistency of methodology and determining factors such as 'take-up' which influence the degree to which any capacity data can model the true situation.

If such shortcomings are well acknowledged and there is a consistency in the methodology used over time the capacity data enables a picture in relation to land use, and in fact 'take-up' to be formed over time. Such information may then better inform revised versions of methodology that may be developed in the future.

Overall the 2006 regional capacity study, as analysed the Capacity for Growth Study 2006, dated March 2010 published by Auckland Regional Council, provides the only regional data on capacity and therefore for the purposes of the Unitary Plan is a useful tool with respect to understanding the available capacity in our rural areas at that time. The data is considered useful so long as the limitations and issues discussed in this report are acknowledged. The 2006 data also provides a basis upon which to develop an improved methodology for an updated capacity study that could be developed as a useful tool for state of the environment monitoring during the planning period of the Unitary Plan.

**The existing capacity in the rural areas of the Auckland region is 7,389 existing vacant titles with the potential for approximately an additional 7,886 sites to be created utilising the rules for subdivision existing as at 2006.**

