

A photograph of a rural landscape at sunset. The sky is filled with large, dark clouds, and the sun is low on the horizon, creating a warm, golden glow. In the foreground, a cow is silhouetted against the light. In the background, there are trees and a barn, all silhouetted against the sunset. The overall scene is peaceful and scenic.

# **Rural Area Development**



## Rural Area Development

### Key Issues

Demand for residential properties and lifestyle blocks in rural settings can create considerable pressure on rural land. Particularly close to townships, areas of rural land on high quality soils are purchased and subdivided into smaller lots for residential and lifestyle purposes. The current plan objectives seek to allow for the protection of the productive capacity of land, with limited mixed development. Have the AERs been achieved?



### Indicators

#### Pressures:

- Applications received/granted to subdivide class I, II and III soils (into lots of less than 8 ha);
- Number of building consents applied for/granted to build dwellings on class I, II and III soils;
- Area of class I, II and III soils designated for non productive land uses; and
- Number of applications applied for/granted for non productive activities on class I, II and III soils.

#### State:

- Area of class I, II and III soils removed from the rural zone through District Plan changes;
- Average lot size for rural subdivisions on class I, II and III soils;
- Number of lots 2,500m<sup>2</sup> to 10,000m<sup>2</sup> in the rural and rural-residential zones; and
- Area/Percentage of class I, II and III soils in productive/non productive activities.



#### Response:

- Number of applications declined for subdivision on class I, II and III soils;
- Number of building consents declined for dwellings on class I, II and III soils;
- Number of designations for non-productive activities on class I, II and III soils removed; and
- Number of resource consent applications declined for non-productive activities on class I, II and III soils.

## Results

### What is High Quality Soil?

Soil class makes up one of the three components of the Land Use Capability Assessment (LUCA). The LUCA assesses how productive different land is for different uses. The LUCA has three basic components – class, subclass and unit (Landcare Research 2002).

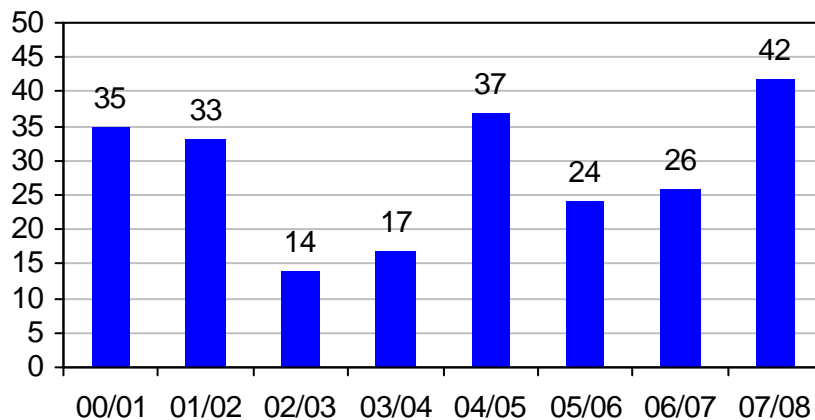
Soil class is used the most and classifies land from I (the most versatile and productive class) to VIII (the class with most limitations). Soil classes I, II, and III are considered high quality soils within Matamata-Piako District Council's District Plan.

The subclass divides the land in each class according to the major kind of limitation to its use. The subclasses are erosion, wetness, soil or climate.

The capability unit groups together land inventory units that require the same kind of management and the same kind and intensity of conservation treatment. Areas of land that have the same unit are capable of growing the same kind of crops, pasture or forest species.

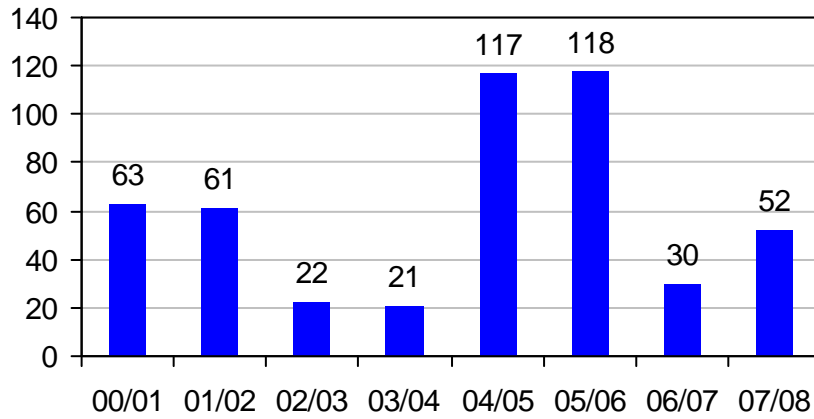
Council monitors the subdivision of rural land on high class soils. This type of land fragmentation could result in future shortages of properties of suitable size for viable farming and horticultural units.

Number of applications granted to subdivide class I, II and III soils into lots less than 8 ha

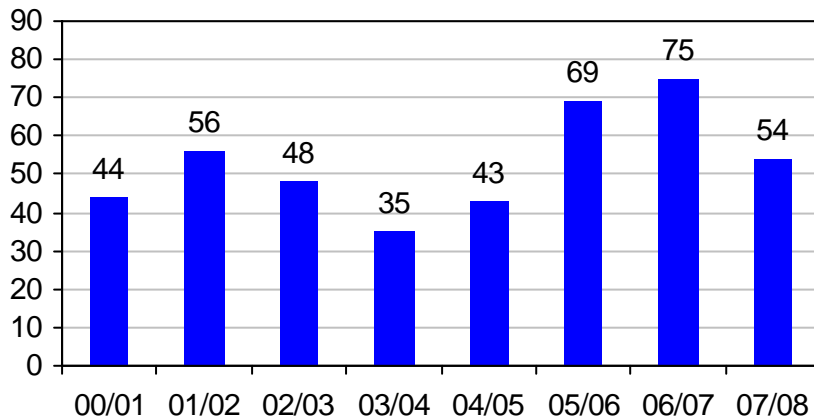


The number of applications received to subdivide class I, II and III soils into lots less than 8 hectares has varied between 14 and 42 per year between 2000/01 and 2007/08. The majority of these applications were for the subdivision of rural land into rural-residential lots with a couple of applications received for the creation of residential and business lots.

Number of new lots created less than 8 ha on class I, II and III soils



Number of Building Consents issued on class I, II and III soils



After dropping to 35 in 2003/04, the number of building consents applied for on class I, II and III soils for new dwellings in the rural zone increased to 75 in 2006/07 and then saw a decrease to 54 in 2007/08.

### Designations in the Rural Zone

A designation is a selected piece of land that is required by an authority for a specific purpose. Designations are listed in Schedule 4 of Council's District Plan and may be required for uses such as roads, water, sewerage, electricity and communication purposes.

In the Matamata-Piako District there are approximately 1850 hectares of class I, II and III soils designated for non productive land uses in the rural zone. These designations include Council owned facilities such as cemeteries, recreational reserves, water and sewerage works, roads and other government owned purposes such as electricity supply, schools, roading, telecommunications and radio.

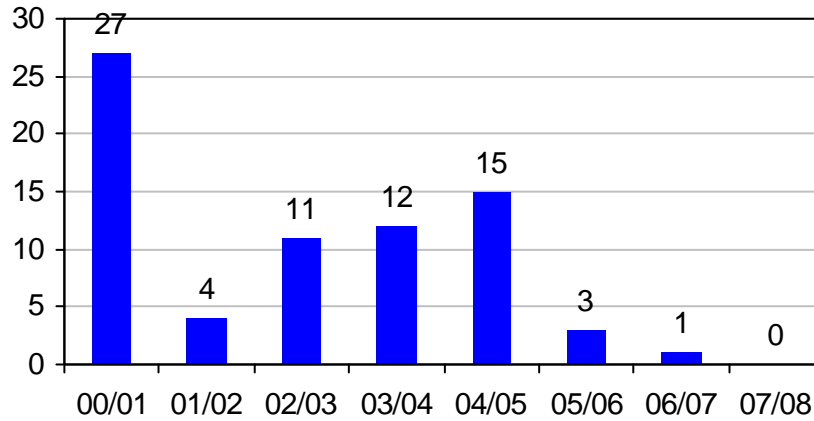
Designations for non-productive activities on class I, II and III soils can be removed to provide access to these high quality soils. From 2000/01 to 2007/08, thirteen designations have been removed for non-productive activities on high class soils.

The removal of buildings can also make high class soils more available for productive uses. From 2000/01 to 2007/08 a total of 68 building consents have been granted for demolition in the rural zone.

Removal of non-productive activities on high class soils	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
Number of designations removed	2	3	3	2	2	1	0	0
Number of building consents granted for demolition	6	3	8	13	1	14	12	11

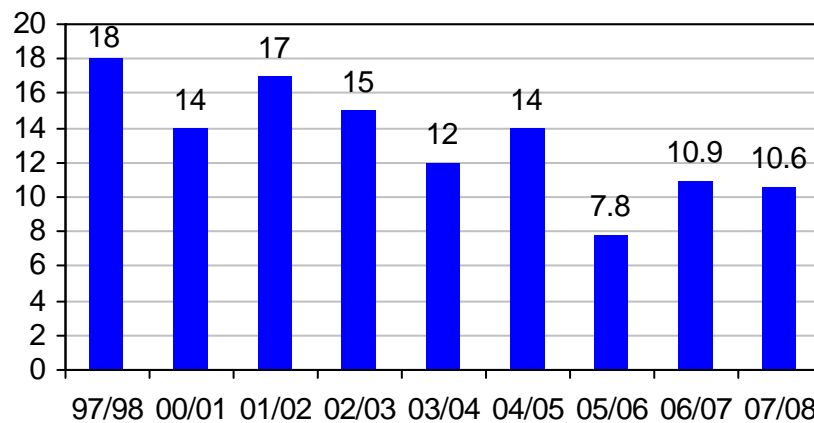
There are other non-productive activities other than designations on class I, II and III soils. Non productive activities include educational facilities, places of assembly, accommodation facilities, industrial and depot activities, mining/quarrying, offices, marae developments, commercial services and boarding/breeding of domestic pets. In 2000/01 there were 27 applications for non-productive activities on these soils. This has dropped considerably in the past six years. Applications between 2000/01 and 2007/08 have been for activities such as building dwellings not associated with farming, operating retail businesses and extensions to educational facilities. The application in 2006/07 was to convert a building into a restaurant. There were no applications in 2007/08.

Number of applications for non-productive activities on class I, II and III soils



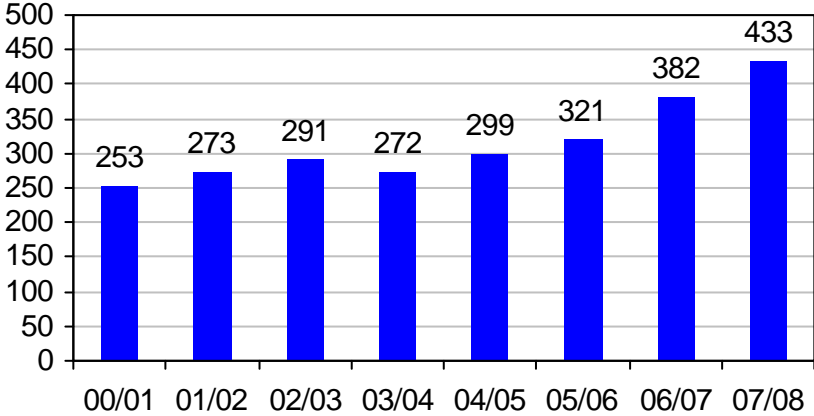
The average lot size of rural subdivisions on class I, II, and III soils has been on average decreasing since 1997/98.

Average lot sizes for rural subdivisions on class I, II and III soils (ha)



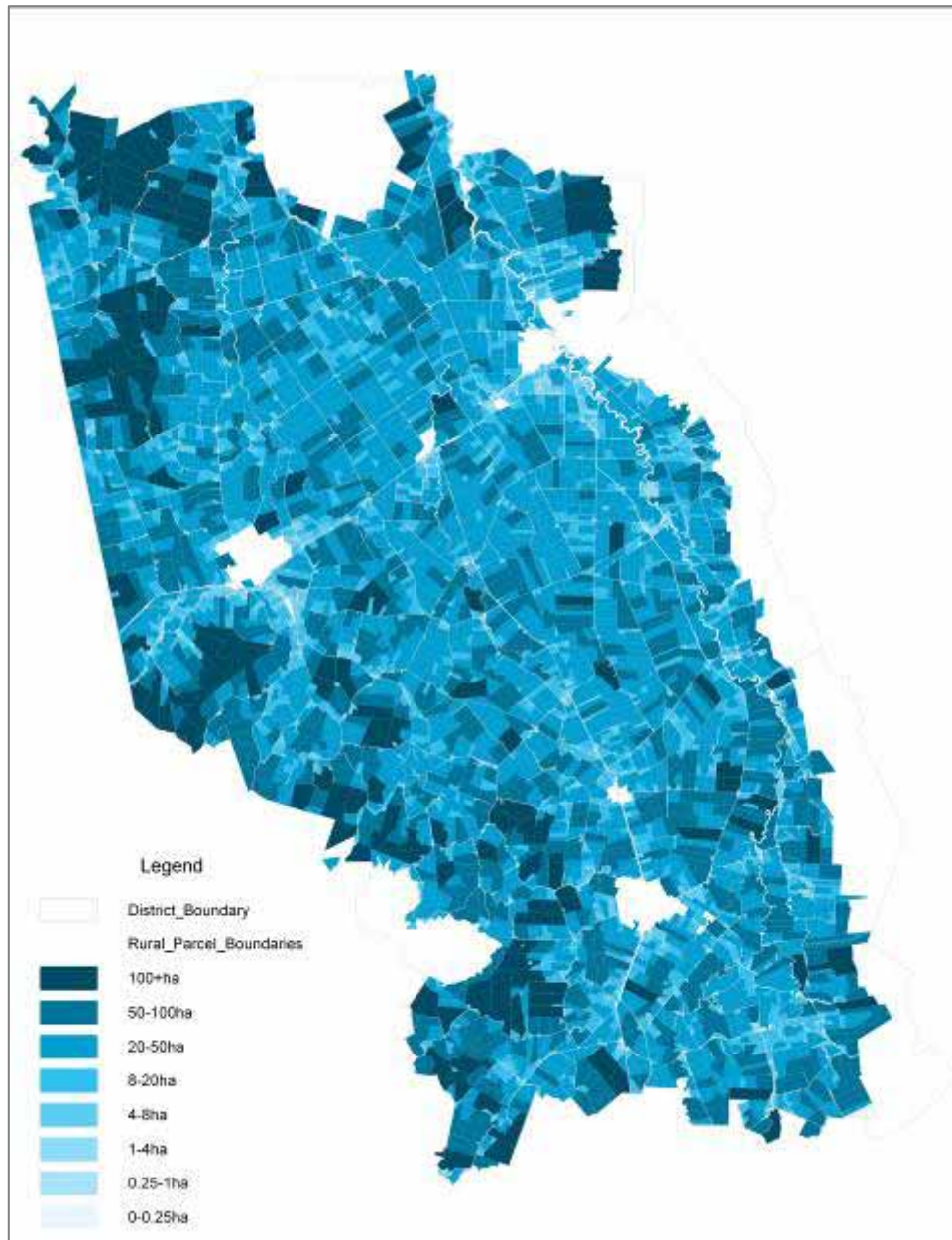
Due to the increasing number and variety of activities in rural areas, rural land is being subdivided into smaller lots. The number of lots between 2,500m<sup>2</sup> and 1 hectare in the rural and rural-residential zones steadily increased between 2000/01 and 2007/08.

Number of lots between 2,500m<sup>2</sup> and 10,000m<sup>2</sup> in the rural and rural- residential zones



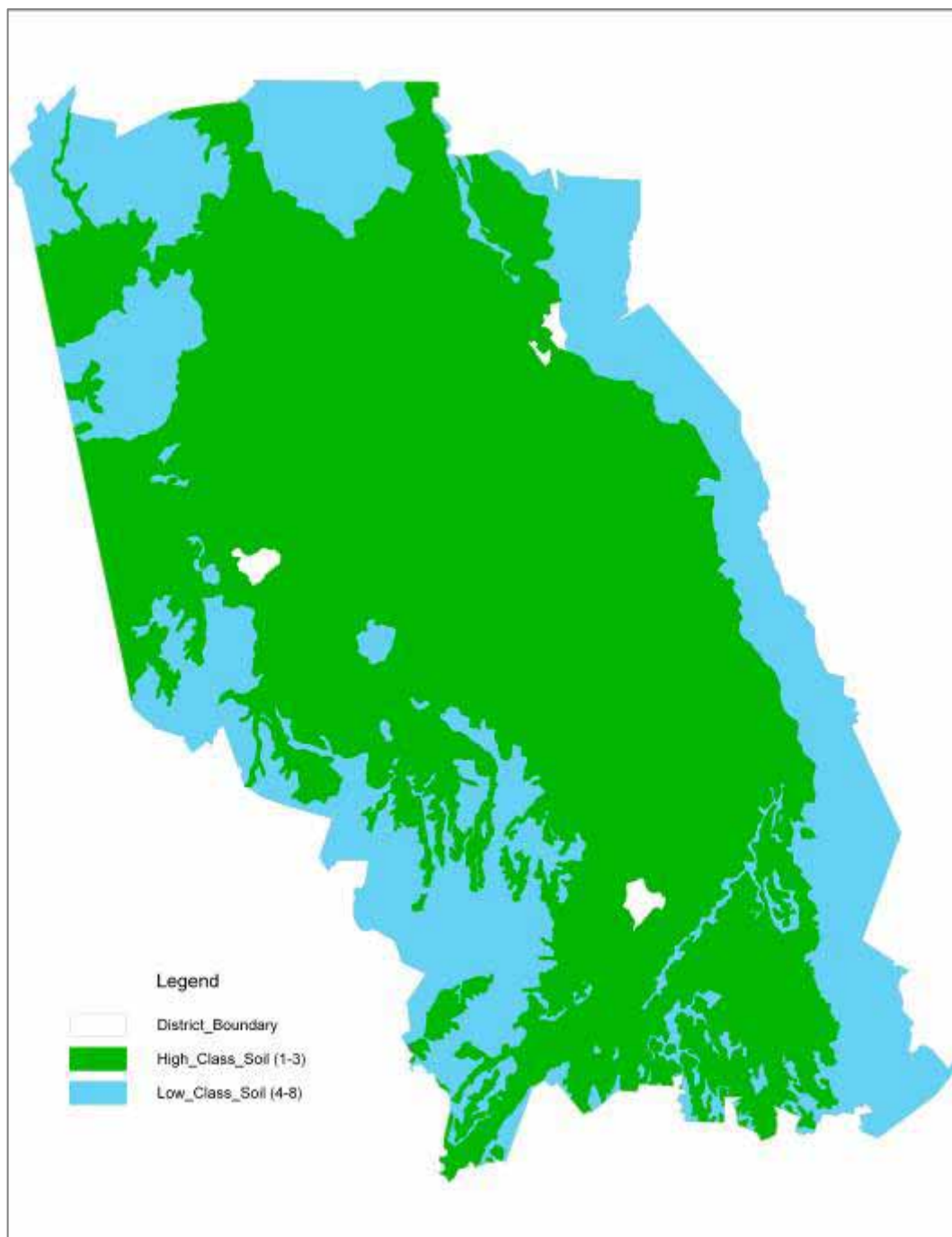
Council continues to monitor development on high class soils in the rural zone. From 2000/01 to 2007/08 there were three applications declined for subdivision on class I, II and III soils (one in 2000/01 and two in 2003/04). There were also three building consents declined for dwellings on class I, II and III soils during this period. One resource consent has been declined for non productive activities on high class soils between 2000/01 and 2007/08. This was for the erection of a billboard in 2001/02. It is acknowledged that it is difficult to assess effectiveness using 'the number of consents declined' as it is very hard to know how many applications have not been made because the rules in the Plan have deterred potential applicants.

Size of lots within the rural zone



Size of lots (ha)	Number of lots	Area of land (ha)	Percentage of land (%)
0-0.25	1567	162.865	0.110523
0.25-1	1233	653.035	0.44316
1-4	948	1985.826	1.347613
4-8	659	3701.27	2.51174
8-20	1021	13587.3	9.220556
20-50	1857	62714.7	42.55918
50-100	664	43719.11	29.66848
100+	140	20834.69	14.13875
Total	8089	147358.8	
average lot size =		18.21718	
median lot size =		5.24	

Area of high and low class soil



Soil type	Area (ha)	Percentage of land (%)
High class	110,020.80	75.24371
Low class	36,198.45	24.75629
	146,219.20	100

Size of lots created on high and low class soils during 2007/08		
	high class soil (ha)	low class soil (ha)
average lot size	15.235	12.174
median lot size	25.3	1.21

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## District Plan Provisions

### Section 3.3.2 Land and Development

**Objective:**

- To maintain and enhance the district's land resource to enable activities that do not threaten the life supporting capacity of the soil and consequently water and ecosystems.

**Policies:**

- To maintain and enhance the district's land resource to enable activities that do not threaten the life supporting capacity of the soil and consequently water and ecosystems;
- To avoid, remedy or mitigate any adverse effects on the intrinsic values of the land from the disposal of solid and liquid wastes and or stormwater to avoid adverse effects on the intrinsic values of the land; and
- To avoid, remedy or mitigate the adverse effects of land use practices on the land resource in a way that avoids any potential for soil erosion and sedimentation of waterways.

**Objective:**

- To manage all activities in a manner that maintains and enhances the district's good quality soils and to ensure that the productive capability of rural land is not compromised.

**Policies:**

- Subdivision, use or development must minimise the coverage of good quality soils;
- To limit fragmentation of titles and the establishment of houses on high quality soils so as to conserve the land for the use of future generations; and
- To avoid, remedy or mitigate the effects of rural-residential development through the consideration of the natural and physical resources including roading, drainage, conservation, any hazards, and effects incompatible with other activities.

**Anticipated Environmental Results:**

- A reduction in the number of building permits granted for dwellings on the high quality soils areas where there is no connection with an agricultural operation.

### Section 3.4.2 Subdivision

**Objective:**

- To ensure that land subdivision results in allotments that are suitable for activities anticipated by the zone and that existing activities and resources in the vicinity of the site are not unreasonably compromised.

**Policy:**

- To ensure that each allotment has suitable natural and physical characteristics including infrastructure services for the activities anticipated by the zoning or resource consent.

**Objective:**

- To ensure that subdivision does not compromise the sustainable management of significant natural environments.

**Policy:**

- To avoid, remedy or mitigate the adverse effects of subdivision and consequential development on the environment.

**Anticipated Environmental Results**

- All land titles are to be useable now and for future generations; and
- Land titles must not compromise the achievement of the Plan's objectives and policies.

## Efficiency and Effectiveness

*Are the District Plan's objectives and policies the most effective and efficient way to achieve the following anticipated environmental results?*

- *A reduction in the number of building permits granted for dwellings on the high quality soils areas where there is no connection with an agricultural operation.*
- *All land titles are to be useable now and for future generations.*
- *Land titles must not compromise the achievement of the Plan's objectives and policies.*

The loss of high class rural land to residential development could in the future compromise the ability of the district to support the extensive farming and horticultural industry on which much of the community relies. The Matamata-Piako District has over 110,000 hectares of high class soils (class I, II and III soils) which is over 75% of our rural land.

In terms of protecting the natural rural environment, the overall AERs is being partly achieved. The AER clearly sets out the overall goal sought to achieve 'A reduction in the number of building permits granted for dwellings on the high quality soils areas where there is no connection with an agricultural operation'. It is noted that the term 'reduction' implies presumably a decreasing number from the 'state' at the time of the Plan becoming operative in 2005. In practice, AER's that seek 'reductions' need to have pretty onerous rules in place stopping the current levels of activity. It is suggested that a word like 'minimising' would be better suited so that the natural growth (i.e. effects of population growth) of activities can be accommodated. The objectives follow this by explicitly stating the desire for the management of residential growth to limit impacts on good quality soils. The objectives and policies reflect a sustainable approach to managing the use and development of significant natural environments by restricting the use of such areas. In particular it reflects the purpose of the Act set out in section 5 (c), which requires Council to safeguard the life supporting capacity of soils, amongst other matters. Through limiting the expansion of residential areas into areas of good quality soils Council is protecting the capacity of high class soils within the district. This is not to say that coordinated and planned development adjoining our towns will not occur. Also, some account needs to be given to the rising value of dairy farming as a factor in retaining productive land capacity, the achievement of the AERs cannot be solely contributed to the Plan, there can be many external factors contributing towards the results.

Through these plan provisions, Council acknowledges the rural environment is a significant natural resource in the district. The District Plan policies are effective in enabling Council to use methods to manage the use and development and protection of the rural environment. A review of the measures shows that the Plan's policies and objectives are being achieved. The analysis undertaken, shows that the number of new smaller lot sizes (less than 8ha) has varied over the past 8 years with a low of 21 in 2003/04, reaching highs of 117 and 118 in 2004/05 and 2005/06. As at January 2008 there were 8089 lots in the rural zone so in terms of the overall area of land and number of lots - this number is not large in comparison. It can be concluded that in terms of the overall area of productive land in the district the objectives and policies of the Plan are being achieved. There is small, ongoing loss of productive land, but the majority of high quality soils are being used for productive purposes. Once subdivision occurs to create smaller lots there is a cumulative effect as lot sizes in general get smaller and smaller, they do not get bigger. Although there are smaller lots being developed in the rural zone they appear to only account for a relatively small percentage of the overall productive rural land (4.4% of land area is in lots less than 8ha).

The policies are efficient in that they provide Council the means to use regulatory methods and rules to restrict rural subdivision and growth, and they are effective as they are achieving the AER's along with the objectives. It is considered that a continuation of a mix of regulatory approaches and non statutory methods, such as education and encouragement will ensure the long-term protection of the district's environments, and provide for their sustainable management.

The relevant AER of 'Land and Development' requires 'A reduction in the number of building permits granted for dwellings on the high quality soils areas where there is no connection with an agricultural operation'. The number of building consents applied for and granted on high class soils rose steadily from 35 to 75 between 2003/04 and 2006/07, however the 2007/08 financial year saw a decrease to 54 consents granted. We currently do not have a measure which differentiates between dwellings and dwellings with a connection to an agricultural operation. However it is acknowledged that such dwellings are being permitted as provided for in the Plan and are not being built through obtaining consents beyond what is permitted. This number is considered to be relatively minor within the total area of the district - as at July 2007 there were approximately 2,614 dwellings existing on class I, II and III soils in the rural and rural-residential zones within the district. Although this does appear to be minor on an annual basis, the cumulative effect of increased buildings on high class soils could in the long-term have an impact on the land available for production.

The objective 'To ensure that land subdivision results in allotments that are suitable for activities anticipated by the zone and that existing activities and resources in the vicinity of the site are not unreasonably compromised' is being effectively achieved. The last three financial years (05/06, 06/07 and 07/08) have only seen four applications granted for non-productive activities on high class soils. These applications have been for activities such as operating retail businesses and extensions to educational facilities. The one application in 2006/07 was to convert a building into a restaurant.

Overall the objective 'To maintain and enhance the district's land resource to enable activities that do not threaten the life supporting capacity of the soil and consequently water and ecosystems' is being achieved. There is an increasing demand for residential-type properties in rural settings, particularly close to town boundaries. These properties have the benefit of a quiet rural lifestyle yet still being close enough to towns for work and recreational purposes. There are a large number of smaller lots being created close to (within 2km) our three main towns; Matamata, Morrinsville and Te Aroha. As at January 2008 there were 408 rural lots under 0.25ha in size, and 221 lots between 0.25 and 1ha within this area. In terms of the overall area surrounding the towns, these lots make up just over 1% of the land. Whilst there are only 198 lots over 20ha - in terms of the actual area of land these make up 68% of the area surrounding the towns.

The Matamata-Piako District contains over 147,000ha of land zoned 'rural'. As at January 2008 there were 2800 rural lots under 1ha in size, which accounts for 35% of the total number of lots in the rural zone, however in terms of the percentage of actual land cover, it is only 0.55%. There are 2661 lots over 20ha, which is slightly less than the overall number of lots less than 1ha, however this accounts for over 86% of the rural land. Therefore in terms of the overall rural land the vast majority are in large viable farming lots, with over 14% of the total rural land being in lots of more than 100ha. The average lot size in the rural zone is 18ha with 5ha being the median size lot.

During the 2007/08 financial year the average size of lots created in the rural zone on high class soils was 15ha compared to an average of 12ha on poorer class soils. This does not show a vast difference between high and poor class soil, however the median (or middle) lot size on high class soil is 25ha compared to only 1ha on poorer class soil. This variation shows that the subdivisions occurring on poor class soils have a few reasonably large lots created - which brings the average size up however the majority are much smaller lots with the median size being 1ha.

In conclusion, in terms of the overall area of productive, high class land in the district the objectives, policies and anticipated environmental results are being achieved. They are efficient as they provide the most direct means of achieving the anticipated environmental results and for providing for sustainable management of natural and physical resources. The measure of efficiency implies that it is the most cost effective, most direct and most appropriate way of protecting our natural resources. There has been no data gathered regarding costs of other ways to achieve the AERs but the other options could be to do nothing, i.e. let rural subdivision and development proceed uncontrolled, this would result in fragmentation of high class soils which would be detrimental to the economy of the district. Perhaps having stronger rules would control rural development further, however the Plan does not want to restrict all development as some development is necessary. They are effective as the anticipated environmental results overall are being achieved. There are smaller lots being developed, however they only account for a very small percentage of the land, and the smaller subdivision is occurring more on the poorer class soils which is in line with the objectives and policies of the District Plan. These appear to be effective and efficient in the way they are dealing with the demand for residential properties in rural settings and other activities which could compromise the intention of the rural zone. We have reviewed the objectives and policies which are efficient and effective, however a review of the methods (rules) may be undertaken in the future to consider the cumulative effects that rural-residential development creates. For example widening and sealing of roads, stormwater, wastewater and water then the practice of allowing for this type of development on the poorer quality soils is unlikely to be sustainable in the longer-term.

It is acknowledged that the District Plan alone does not drive rural development – other factors such as the economic climate or anticipated economic effects can drive or guide rural development. Rural property sales prices can effect development, sale prices have been generally increasing between 2000 to 2009 (median Waikato property values: \$122,000 (2000) to \$261,585 (2009)). There has also been a steady rise in dairy stock numbers in Waikato. There was 1,437,630 dairy stock in June 1994, this increased to 1,717,421 in June 2008 .Between 2001 and 2006 the rural population of the district only increased marginally from 13,458 to 13,794. The median income for the district increased from \$22,119 in 2001, to \$23,454 in 2006. This increase in income could also contribute to increased rural development. There are also many other factors outside of the District Plan which may contribute towards rural development such as peoples' changing perceptions of development and of changing lifestyles.

It is efficient to retain the high quality land for the long-term efficiency of the economy, foregoing short-term gains whilst allowing for reasonable development. It would be inefficient to not have these objectives in place and to limit sizes of lots as the high quality land would no longer be in sizes viable for farming, which our districts economy is heavily reliant upon. The resource consent process is an efficient way of ensuring the objectives and policies are met. It allows for assessment of the rules of the Plan accepted by the community.

**Summary**

<b>Anticipated Environmental Results Rural Development</b>	<b>Achieved?</b>  ☺ - Achieving → - Progress towards achievement ☹ - Not achieving ? - Not monitored
A reduction in the number of building permits granted for dwellings on the high quality soils areas where there is no connection with an agricultural operation	☹ (numbers not reducing)
All land titles are to be useable now and for future generations	→
Land titles must not compromise the achievement of the Plan's objectives and policies	☹ - → (There is on-going erosion of rural productive area through small lot subdivision, but majority of rural productive land still intact)