

Plan Change

Amendments to the South Taranaki District Plan Maps

for Todd Energy Ltd

Rev B -

BTWCOMPANY
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ABBREVIATIONS

<i>CAG</i>	<i>Community Advisory Group</i>
<i>CNG</i>	<i>Compressed Natural Gas</i>
<i>District Plan</i>	<i>South Taranaki District Plan</i>
<i>LPG</i>	<i>Liquefied Petroleum Gas</i>
<i>GFA</i>	<i>Gross Floor Area</i>
<i>KGTP</i>	<i>Kapuni Gas Treatment Plant</i>
<i>KPS</i>	<i>Kapuni Production Station</i>
<i>PARC</i>	<i>Petroleum Activity Risk Contours</i>
<i>PFAA</i>	<i>Petroleum Flare Alert Area</i>
<i>PPC</i>	<i>Proposed Plan Change</i>
<i>QRA</i>	<i>Quantitative Risk Assessment</i>
<i>RMA</i>	<i>Resource Management Act 1991</i>
<i>RPS</i>	<i>Regional Policy Statement for Taranaki</i>
<i>STDC</i>	<i>South Taranaki District Council</i>
<i>STOS</i>	<i>Shell Todd Oil Services</i>
<i>TEW</i>	<i>Taranaki Energy Watch</i>
<i>TKoNT</i>	<i>Te Korowai o Ngāruahine Trust</i>
<i>Todd</i>	<i>Todd Energy Limited</i>
<i>TRC</i>	<i>Taranaki Regional Council</i>

1 PART A - THE PROPOSED PLAN CHANGE

1.1 Introduction

The objective of the PPC is to accurately identify offsite risk for each of Todd's Kapuni sites and ensure regulation of the use and development rights of neighbouring landowners and management of the risk is proportionate to the quantified risk.

The PPC seeks to achieve the objective through the inclusion of site-specific risk contours in the District Plan maps, being PARCs, enabling the management of that risk through the existing South Taranaki District Plan (District Plan) framework without any other amendments. This will remove unnecessary regulation on the use and development rights of neighbouring landowners, resulting from the existing application of the current generic fatality consequence distances within the District Plan.

This PPC has been made in accordance with Clause 21 of the First Schedule of the Resource Management Act 1991 (RMA).

Specifically, the PPC seeks to introduce nine new Petroleum Activity Risk Contours (PARCs) for Todd Energy Ltd (Todd) sites within the Kapuni natural gas field in South Taranaki. The new PARC extents have been quantified through Quantitative Risk Assessments (QRAs) that were prepared by independent risk engineers. The QRAs have also been peer reviewed by Council's independent Risk Engineers, and Suitability Reports have been issued. The QRA methodology for defining the extent of PARCs in the District Plan was developed through an Environment Court appeal process on the District Plan between 2016 – 2020. The QRA accepted methodology required the application of the precautionary approach for identifying hypothetical 1×10^{-6} fatality risk contours. This agreed methodology led to the inclusion of the Kapuni Production Station PARC in the District Plan (District Plan Special Map 03). This methodology has largely been adopted for the PPC QRAs with the exception of the QRA and peer review process for Kapuni-J Wellsite which was undertaken prior to decisions on the aforementioned Environment Court process. The approach taken is accordingly consistent with that developed through the Environment Court process.

The PPC will result in the mapping of site-specific hypothetical, quantified risk contours for Todd petroleum exploration and production facilities. These contours would replace the current generic fatality consequence distances of 250 m that apply for Todd's well-sites and 650 m for the Kapuni Gas Treatment Plant. Generic fatality consequence distances are conservative, un-risked distances agreed by risk experts as a proxy for risk identification in the absence of precautionary

1x10⁻⁶ QRA contours. The PPC will have the benefit of accurate mapping of hypothetical offsite risk and will significantly reduce the extent that the generic distances impact neighbouring land and subsequent use and development rights.

Policy 2.9.23 of the District Plan relating to Petroleum Exploration and Production activities provides direct support for the PPC.

Identify and keep up-to-date on the Planning Maps the Petroleum Activity Risk Contours related to existing petroleum exploration and petroleum production activities using a level of risk threshold of 1 x 10⁻⁶ (risk contour).

The District Plan provides further support for the PPC in the Methods of Implementation section of Section 2.9 Hazardous Substances and Contaminated Land.

Regularly share changes to risk assessment information and risk contours between operators and the Council, and undertake plan changes to keep the Petroleum Activity Risk Contour shown on the Planning Maps up to date.

The PPC also seeks to add a Petroleum Flare Alert Area (PFAA) for the Kapuni J Wellsite, remove PFAAs for Todd's KA 3/3A and KA 9/16 sites, and make consequential amendments to the planning maps. PFAA is a non-District Plan layer to identify any sites where there is potential for flaring of natural gas.

The proposed changes to the PFAAs are updates to include the Kapuni J Wellsite, which was constructed after the District Plan became operative, and to recognise changes to the operations of the KA 3/3A and KA 9/16 sites.

This PPC only involves changes to the planning maps of the District Plan. No changes to any other District Plan provisions are required or proposed and no consequential amendments result from the proposed changes to the planning maps.

1.2 Changes to Planning Maps

Appendix A includes a plan showing the location of all Todd sites subject to the PPC, which is also reproduced in Figure 1.1 below.

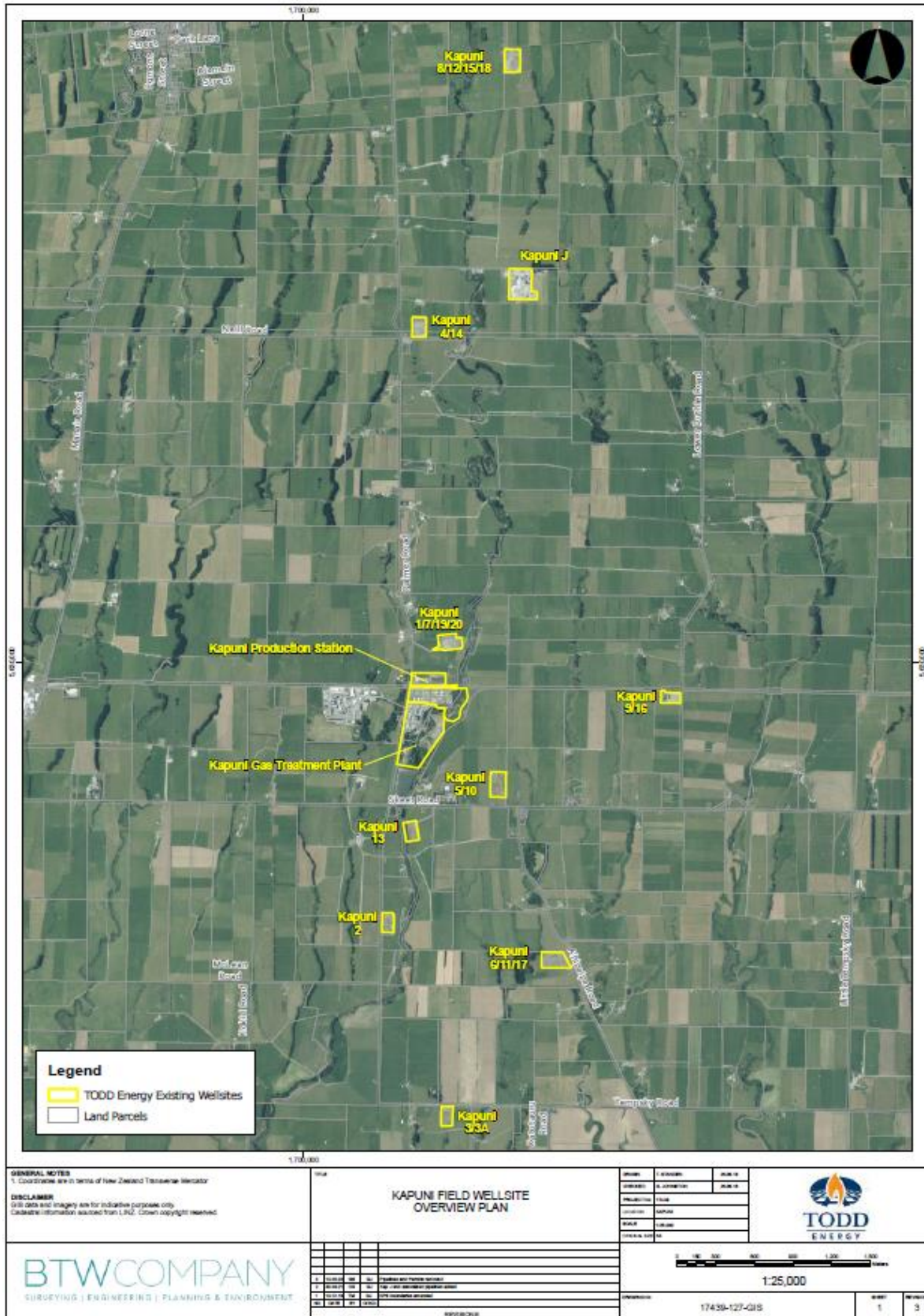


Figure 1.1: Location of Todd sites subject to the PPC (noting that the Kapuni Production Station is shown for context but is not subject of the PPC)

1.2.1 Petroleum Activity Risk Contours

PARCs are proposed to be added to the planning maps for the following Kapuni sites:

- KA 8/12/15/18;
- KA 4/14;
- KA 1/7/19/20;
- KA 5/10;
- KA 13;
- KA 2;
- KA 6/11/17;
- Kapuni J; and
- Kapuni Gas Treatment Plant (KGTP)

A PARC is already in place for the KPS.

1.2.2 Petroleum Flare Alert Areas

A PFAA is proposed to be added to the planning maps for the Kapuni J Wellsite. As discussed above, the Kapuni J Wellsite did not exist at the time the District Plan was made operative.

It is proposed to remove PFAAs for the KA 3/3A and KA 9/16 sites to recognise that these sites no longer undertake any hydrocarbon related activities, including flaring.

KA 3/3A has a dormant well with no hydrocarbons or active production infrastructure and no plans (or consents) for any further activity at that site, including any flaring.

KA 9/16 has two wells that are abandoned to around 2 km above the production sections. They have been recompleted as produced water injectors only. There is no hydrocarbon production infrastructure onsite. There are no consents for the drilling of any further hydrocarbon producing wells. There are no future plans for any hydrocarbon drilling from this site, including any flaring.

For both KA 3/3A and KA 9/16, there is accordingly no reason to have PFAAs mapped in the District Plan maps. Policy 2.9.24 states:

2.9.24 That Petroleum Activity Risk Contours will be uplifted from the Planning Maps in whole or in part and for separation distances to no longer apply where: (a) there are no risk generating activities being undertaken; or (b) the level of risk reduces significantly and extant consents or rules do not enable risk generating activities to establish or intensify in the future.

With respect to KA 3/3A and KA 9/16, policy 2.9.24 supports the generic fatality consequence distances no longer applying to these two sites. It is also relevant to acknowledge that, by definition, no petroleum exploration or petroleum production activities currently take place at these two sites, nor can those activities occur under extant consents or rules under the District Plan.

The PPC includes the following specific changes to the existing Rural and Special planning maps of the District Plan and the addition of three new Special maps.

Table 1.1: Proposed District Plan Map Changes

Maps	Proposed Changes
Rural Map 08	Remove PFAAs from the map. Remove PFAA and PARC from the key.
Rural Map 09	Remove all PFAAs and the KPS PARC from the map. Remove PFAA and PARC from the key. Add the text in red to the text box 'Refer Special Map 03 and 03A'.
Special Map 03	Shows PFAAs for all Todd sites within map area. <i>NB: These sites are Kapuni J, KA 4/14, KA 1/7/19/20, Kapuni Production Station, Kapuni Gas Treatment Plant, KA 5/10, KA 13, KA 2, and KA 6/11/17. No PFAA is proposed for KA 9/16 for the reasons explained in section 1.2.2.</i> Removal of PARC for Kapuni Production Station. <i>NB: The Kapuni Production Station already has a PARC mapped in</i>

	<p><i>the District Plan. The PARC is proposed to be mapped on Special Map 03A.</i></p> <p>Addition of PFAA's for Kapuni J Wellsite and KA 4/14 Wellsite. <i>NB: The KA 4/14 Wellsite already has a PFAA mapped in the District Plan and the change only results due to a scale change to the map.</i></p> <p>Removal of PFAA for KA 9/16.</p> <p>Removal of PARC from the key.</p> <p>Change of map scale from 1:20,000 to 1:24,000.</p> <p>Change title from Kapuni Production Station to Kapuni.</p> <p>Add '03B & 03C' to the index map in bottom right corner.</p>
New Special Map 03A	Shows PARCs for all Todd sites within map area. <i>NB: These sites are Kapuni J, KA 4/14, KA 1/7/19/20, Kapuni Production Station, Kapuni Gas Treatment Plant, KA 5/10, KA 13, KA 2, and KA 6/11/17. No PARC is proposed for KA 9/16 for the reasons explained in section 1.2.2.</i>
New Special Map 03B	Shows PARC's for KA 8/12/15/18 Wellsite.
New Special Map 03C	Shows PFAAs for KA 8/12/15/18 Wellsite.
Special Map Sheet Index	Addition of new Special Maps to the index

The amended Rural and Special planning maps and the new Special planning maps are provided in **Appendix B**.

2 PART B – EVALUATION OF THE PROPOSED PLAN CHANGE

2.1 Introduction

This report presents an evaluation undertaken by BTW Company Limited on behalf of Todd in respect of the PPC in accordance with Section 32 of the Resource Management Act (RMA). The report also addresses other requirements of Schedule 1 of the RMA including an Assessment of Environmental Effects.

The PPC does not propose any changes to the District Plan objectives or policies or the rule framework. Through changes to the planning maps, this PPC seeks to introduce PARCs for nine Todd sites, introduce a PFAA for the Kapuni-J Wellsite and remove PFAA for KA 3/3A and KA 9/16.

Planning maps are considered as provisions in the form of rules that implement policies. As such the PPC only proposes changes to the provisions of the District Plan, not the objectives of the District Plan. In plan-making, the policies are to implement the objectives, and the rules or other methods are to implement the policies. The District Plan contemplates proposed plan changes such as this, to update risk information. The mechanics for making these types of changes are therefore both simple and anticipated.

The report considers whether the amended, and the additional, planning maps proposed (provisions) are the most appropriate option to achieve/implement the existing objectives and policies of the District Plan and whether the objective of the PPC, being primarily the replacement of the application of generic fatality consequence distances with site-specific PARCs, is the most appropriate way to achieve the purpose of the RMA. The report also assesses the scale and significance of the effects anticipated from implementing the PPC.

The following expert reports are submitted in support of the PPC and should be read in conjunction with this report:

APPENDIX C- QRA KAPUNI WELLSITES – WORLEY

APPENDIX D- QRA KAPUNI WELLSITES ADDENDUM – WORLEY

APPENDIX E - QRA KAPUNI GAS TREATMENT PLANT - WORLEY

APPENDIX F - QRA SUITABILITY REVIEW KAPUNI WELLSITES – AECOM

APPENDIX G - QRA SUITABILITY REVIEW KAPUNI GAS TREATMENT PLANT - AECOM

APPENDIX H - QRA KAPUNI J WELLSITE – WORLEY

APPENDIX I - QRA PEER REVIEW KAPUNI J WELLSITE – ENVIRONMENTAL RISK SOLUTIONS

APPENDIX L - QRA KAPUNI J WELLSITE (Updated to include Compression Facilities) – WORLEY

2.2 Section 32 Requirements

Section 32 of the RMA requires evaluation of a private plan change by the person making the request and Council. The evaluation, carried out under Section 32, must:

- Assess the scale and significance of the problem or issue;
- Examine whether the objectives of the plan change are the most appropriate way to achieve the purpose of the RMA;
- Examine whether the proposed approach is the most appropriate way of achieving the objective;
- Identify and assess the benefits and costs of new provisions, including identifying any assumptions and risks; and
- Assess the risks of acting or not acting if there is uncertain or insufficient information.

The Guidance Note on section 32 analysis on the Quality Planning website makes the following statement:

Appropriateness - means the suitability of any particular option in achieving the purpose of the RMA. To assist in determining whether the option (whether a policy, rule or other method) is appropriate the effectiveness and efficiency of the option should be considered:

- Effectiveness - means how successful a particular option is in addressing the issues in terms of achieving the desired environmental outcome.

- Efficiency - means the measuring by comparison of the benefits to costs (environmental benefits minus environmental costs compared to social and economic costs minus their benefits).

Undertaking a Section 32 evaluation assists in determining why changes to existing plan provisions may be needed and formalises a process for working out how best to deal with resource management issues.

2.3 Background to Proposed Plan Change and Issue Identification

2.3.1 Background

Todd owns and operates the Kapuni Production Station (KPS), the Kapuni Gas Treatment Plant (KGTP) and 10 wellsites and associated infrastructure as part of its Kapuni Natural Gas Field operations in South Taranaki. The only Todd site in the District that currently has a PARC is the KPS as shown on Rural Map 09 and Special Map 03 of the District Plan.

The District Plan manages the offsite risks to human health and the environment from additions and alterations to existing petroleum exploration and petroleum production activities, as well as risks from new sensitive activities locating close to existing petroleum exploration and petroleum production activities. The District Plan uses PARCs as a tool to manage these risks, with associated objectives, policies and rules.

PARC is defined in the District Plan as follows:

PETROLEUM ACTIVITY RISK CONTOUR (for petroleum exploration and petroleum production provisions): means the 1×10^{-6} individual fatality risk contour shown on the Planning Maps.

The District Plan also uses the PFAA as a non-regulatory alert layer. The District Plan describes the PFAA as follows:

The Planning Maps contain an alert layer that is subject to the potential presence of contaminants from abnormal flare operation at a petroleum facility, which has the potential to cause acute health effects. As the probability of an acute health effect occurring is low, this alert layer (the Petroleum Flare Alert Area) is non-regulatory and no District Plan rules are triggered by it. This alert layer is

measured 70m from flares at well-sites and 300m from flares at production stations. For information about the discharge to air from a flare, please contact the Taranaki Regional Council¹.

Where well-sites do not have a PARC shown on the planning maps, the District Plan applies a generic fatality consequence setback distance of 250 m for new dwelling units, home occupations and other sensitive activities. Where petroleum production stations or gas treatment plants do not have a PARC shown on the planning maps, the District Plan applies a generic fatality consequence setback distance of 650 m for new dwelling units, home occupations and other sensitive activities.² Additionally, any additions or alterations of habitable rooms up to 20% of GFA to an existing sensitive activity must also comply with the generic fatality consequence setback distances otherwise the activity is assessed as a discretionary activity.³ Any additions or alterations of habitable rooms 20% or greater of GFA to an existing sensitive activity within the generic fatality consequence setback distances are assessed as a non-complying activity.⁴ The use and development rights of neighbouring landowners within the generic fatality consequence setback distances are therefore affected by the current District Plan provisions.

2.3.2 Issue Identification

The development of the PPC has been carried out over a number of months during 2022-2023. The driver for the PPC resulted primarily from neighbouring landowner feedback on the uncertainty of what generic fatality consequence distances represent, especially health and safety uncertainties, and the additional and disproportionate conservative encumbrances they placed on neighbouring land including the associated loss of property rights and perceived loss in property value. The PPC is not being driven by a change or intended change in activity at the Todd sites.

Quantitative Risk Assessment Kapuni Wellsites and KGTP – Worley

Todd engaged Worley New Zealand Ltd to undertake QRAs for their Kapuni facilities, including a Kapuni Wellsites QRA dated July 2022 and a Kapuni Gas Treatment Plant QRA dated July 2022. The course of time and technical review of these documents also required a Kapuni Wellsites QRA addendum dated November 2022, to update operating scenarios at KA 1/7/19/20 and KA 4/14 wellsites.

¹ Section 12: Hazardous Substances Rules South Taranaki District Plan

² Section 3: Rural Zone Rules 3.2.2(a) Table 1 South Taranaki District Plan

³ Section 3: Rural Zone Rules 3.1.4(m) South Taranaki District Plan

⁴ Section 3: Rural Zone Rules 3.1.5(f) South Taranaki District Plan

The purpose of the QRAs was to develop risk contours to meet the risk assessment requirements of the operative South Taranaki District Plan, Section 11: Hazardous Substances.

Quantitative Risk Assessment Suitability Reviews - AECOM

The Council advised the applicant that AECOM should be engaged to undertake QRA Suitability Reviews of the QRAs prepared by Worley, as AECOM supported Council through the Environment Court process, and helped develop the precautionary methodology that was eventually agreed to by all parties to the Appeal.

AECOM undertook the following steps to identify limitations in the QRA modelling and to evaluate whether the Precautionary Approach had been applied:

- Confirm the QRA method used by the QRA Consultant is appropriate.
- Breakdown the QRA calculation into its component parts.
- Examine the inputs to the components for sources of variability as well as assumptions about them used by the QRA Consultant, with particular emphasis on the impact on the location of the risk contour of interest.
- Qualitatively assess the degree and direction of the variability with respect to: - It's effect on the location of the risk contour.

For the Kapuni Wellsites QRA AECOM concluded that:

- The QRA fulfills the requirements, defined by the Environment Court via Court Minute, 'Timeframes For Providing Fatality Risk Contours (18 September 2019)', to be used "as is" in the District Plan.
- The 1×10^{-6} Location Specific Risk Contours presented in the Worley QRA Report, Revision 1, June 2022 and Addendum, November 2022 that are nominated in Table 1 of this report can be used for the purposes of the District Plan.
- The 1×10^{-6} Location Specific Risk Contours presented in the Worley QRA Report, Revision 1, June 2022 and Addendum, November 2022 that are nominated in Table 1 of this report: - takes into account the limitations of the QRA process and adopts a precautionary approach; - having so taken into account the limitations of the QRA process can be relied upon to represent the 1×10^{-6} fatality risk contour for the Kapuni Well Sites.

For the KGTP QRA AECOM concluded that:

- The 1×10^{-6} Location Specific Risk Contour presented in Figure 8-2, Section 8.2.3 – Sensitivity Case 2 Risk Contours, QRA Report, Revision 1, August 2021:
 - takes into account the limitations of the QRA process and adopts a precautionary approach;
 - having so taken into account the limitations of the QRA process can be relied upon to represent the 1×10^{-6} fatality risk contour for the Kapuni Gas Treatment Plant.

Kapuni J Wellsite

The consent application for the establishment and operation of the Kapuni J Wellsite was lodged in July 2019. At the time the land use consent (RML19069) was granted in December 2019, with a minor variation (RML19069.1) granted in January 2020, the aforementioned Environment Court appeals were in train, but not finally resolved. The consent application included a QRA undertaken by Worley and an independent peer review by Environmental Risk Solutions. As part of that resource consent a 1×10^{-6} risk contour was endorsed.

A further variation to the Kapuni J land use consent was granted in January 2022 (RML 22076), to include the construction and use of up to two compressors at the site. This process included the acceptance by STDC of an updated Kapuni J Wellsite QRA with 1×10^{-6} risk contour (see **Appendix L**). In terms of the PPC, it is proposed to add this most recently consented 1×10^{-6} risk contour to the District Plan maps as a PARC, instead of having that risk contour sit independently in a separate document (being the resource consent).

Mapping Exercise – Comparison between Generic Consequence Distances and 1×10^{-6} Contours

Following the receipt of the Suitability Reviews by AECOM, Todd carried out mapping exercises for each site using the peer reviewed 1×10^{-6} Location Specific Risk Contours. This enabled a comparison between the generic fatality consequence distances and the 1×10^{-6} Location Specific Risk Contours to be made and formed a basis for communicating the reasons for the PPC to neighbouring landowners and the outcomes for them if the PPC is successful. The maps are provided in **Appendix J**.

The conclusion of the mapping exercise is that the generic fatality consequence distances, currently impact 21 landowners and around 280 ha of land, including seven dwellings. If the PPC is approved, the impact would be reduced with the PARCs impacting six landowners, 10 ha of land and one dwelling.

In the absence of site specific QRA to define PARCs, the generic fatality consequence distances were considered by the Environment Court as an appropriate approach to managing risk. However, Todd has now undertaken QRAs for its facilities which have been independently peer reviewed and verified as suitable for inclusion in the District Plan as PARCs. The QRAs provide evidence that the generic fatality consequence distances for Todd operated facilities are overly conservative, misrepresent hypothetical offsite risk and result in unnecessary and disproportionate regulation on areas of neighbouring land.

Todd considers that it is important that the District Plan provisions are informed by the most up to date and accurate information pertaining to offsite risk and therefore are requesting the PPC to remedy this issue. Todd's position is supported by the vast majority of landowners affected by the PPC.

2.4 Objective of the Proposed Plan Change

The objective of the PPC is to accurately identify offsite risk for each of Todd's Kapuni sites and ensure regulation of the use and development rights of neighbouring landowners and management of the risk is proportionate to the quantified risk.

To achieve the above objective, the PPC proposes changes to the planning maps through the introduction of PARCs for a number of Todd sites, one additional PFAA and the removal of two existing PFAAs for sites that no longer undertake flaring activities. The changes will make the existing associated objectives, policies and rules more efficient and effective.

Petroleum Exploration and Petroleum Production Policy 2.9.23 requires the Council to:

Identify and keep up-to-date on the Planning Maps the Petroleum Activity Risk Contours related to existing petroleum exploration and petroleum production activities using a level of risk threshold of 1×10^{-6} (risk contour).

Under Section 2.9 Hazardous Substances and Contaminated Land, the District Plan lists two Methods of Implementation for the objectives and policies which are of particular relevance to the PPC. These are as follows:

Collect and maintain publicly available information about the level of risk from petroleum exploration and petroleum production activities. This information would be supplied by operators of petroleum exploration and petroleum production activities via resource consent applications or in meeting their obligations under other legislation or regulations.

Regularly share changes to risk assessment information and risk contours between operators and the Council, and undertake plan changes to keep the Petroleum Activity Risk Contour shown on the Planning Maps up to date.

Also of relevance to both KA 3/3A and KA 9/16 is Policy 2.9.24 which states:

2.9.24 That Petroleum Activity Risk Contours will be uplifted from the Planning Maps in whole or in part and for separation distances to no longer apply where: (a) there are no risk generating activities being undertaken; or (b) the level of risk reduces significantly and extant consents or rules do not enable risk generating activities to establish or intensify in the future.

With respect to KA 3/3A and KA 9/16, policy 2.9.24 supports the generic fatality consequence distances no longer applying to these two sites. It is also relevant to acknowledge that, by definition, no petroleum exploration or petroleum production activities currently take place at these two sites, nor can those activities occur under extant consents or rules under the District Plan.

The District Plan anticipates processes such as this PPC to ensure information is accurate and kept up to date so that planning decisions are made with the best information available.

2.5 Description of Todd Facilities

Most of Todd's Kapuni sites are located in the Rural Zone under the District Plan, aside from the KGTP and KPS which are located in the Rural Industrial Zone where they are covered by individual Concept Plans. The Kapuni area has a long established and active petroleum exploration and production industry dating back to the late 1950's. There is a hub of large rural industrial plants at Kapuni which includes KPS and KGTP and also Ballance Agri-nutrients ammonia/urea plant and Fonterra's milk processing plant. The other predominant land use is dairy farming with farm dwellings interspersed throughout the landscape at low densities.

The following section provides a summary of the Todd facilities subject to the PPC, the consents they operate under, authorised activities and other relevant information.

2.5.1 Overview

The Kapuni field is located south of Taranaki Mounnga, near the Kaponga township, some 65 km south of New Plymouth, and 10 km west of Eltham.

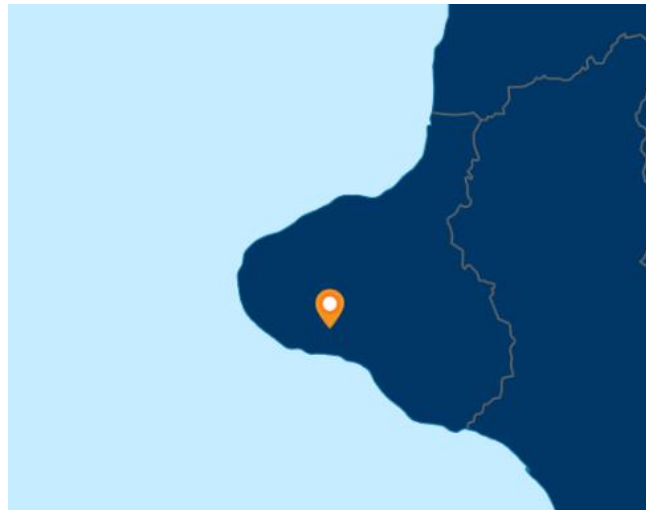


Figure 2.1: Location of Kapuni Natural Gas – Condensate Field

There are 24 Kapuni field wells distributed around the surrounding farmland on 10 wellsites, and natural gas, condensate and produced water production from eight active sites (11 currently producing wells) are fed by underground pipelines to the KPS for processing (see **Appendix A**).

Low Temperature Separation units are installed at some of the well sites to separate the natural gas from the liquids (condensate and water) and pre-condition the gas. Other sites pipe product direct to KPS for primary processing.

Via pipeline gathering systems, natural gas and liquids are then transported to the KPS, where further separation and stabilisation are undertaken before flowing into Todd's KGTP. KGTP removes CO₂ from the natural gas and also recovers liquefied petroleum gas (LPG) and natural gasoline products. There are also co-generation (electricity and steam) and liquid CO₂ production facilities within KGTP. The in-field natural gas gathering system also feeds the pipeline to the co-generation facilities at the Fonterra dairy plant in Whareroa.

2.5.2 KA 8/18 Wellsite

The KA 8/18 Wellsite operates under the following land use consents:

- STDC consent RML090144 – to establish and operate a wellsite on the property at 939 Eltham Rd. The consent authorises the drilling of one well (KA 18) which has been completed, testing and associated production activities; and
- STDC consent RM303129 – installation and operation of two gas compressors including noise dispensation. Both compressors have been installed.

2.5.3 KA 1/7/19/20 Wellsite

The KA 1/7/19/20 Wellsite operates under the following land use consent:

- STDC consent RML15063 – drilling five new wells including workovers, facilities and production from this site, exceedance of noise and the use and storage of hazardous substances.

Todd has recently applied to the TRC to drill and produce up to 12 wells from this site, including a site expansion. They will also be applying for a new land use consent to drill and produce from up to 12 wells from this site. This application will be made sometime in Q2 2023.

2.5.4 KA 4/14 Wellsite

The KA 4/14 Wellsite operates under the following land use consents:

- STDC consent RML12031 – workover and production activities from one well at the 4/14 wellsite; and
- STDC consent RML14048 – installation of wellheads, well interventions and maintenance activities.

2.5.5 KA 5/10 Wellsite

This site was lawfully established prior to enactment of the RMA. The site has three land use consents for soil disturbance and the decommissioning of the flare pit.

2.5.6 KA 6/11/17 Wellsite

The KA 6/11/17 Wellsite operates under the following land use consents:

- STDC consent RML090105 – to erect an air compressor building; and
- STDC consent RML090116 – establishment of a wellsite and associated equipment and facilities.

2.5.7 KA 02 Wellsite

This site was lawfully established prior to enactment of the RMA. The site has three land use consents for soil disturbance and the decommissioning of the flare pit.

2.5.8 KA 9/16 Wellsite

The KA 9/16 site operates under the following land use consent:

- STDC consent RML20075 to establish and operate a new water injection well and undertake workovers relating to water injection, including to generate noise and heavy traffic that exceeds district plan permitted limits.

No hydrocarbons are produced from the site and there are no consents in place that authorise hydrocarbon production.

2.5.9 KA 13 Wellsite

This site was lawfully established prior to enactment of the RMA. The site has three land use consents for soil disturbance and the decommissioning of the flare pit.

2.5.10 KA 3/3A Wellsite

This site was lawfully established prior to enactment of the RMA. The site has three land use consents for soil disturbance and the decommissioning of the flare pit. No hydrocarbons are produced from the site and there are no consents in place that authorise hydrocarbon production.

2.5.11 Kapuni J Wellsite

The Kapuni J Wellsite operates under the following land use consent:

- STDC consent RML 22076 – consent to establish a significant hazardous facility, drilling of up to 12 wells and the testing, enhancement and production of these wells, and the installation of up to two compressors, including noise and relocation of building non-compliances with the District Plan.

2.5.12 Kapuni Gas Treatment Plant

The KGTP is authorised through the District Plan via a Concept Plan which is found in Section 8 of the District Plan and allows for:

- (i) production station and gas treatment plant;
- (ii) The collecting and separating of natural gas and oil together with any necessary ancillary services and the gathering, processing, storage and pumping of Natural Gas

and Oil together with building necessary to house equipment and/or provide ancillary services or facilities for the personnel so employed;

- (iii) Gas conditioning and flaring, the truck loadout of hydrocarbons, fire water storage and the construction of buildings, plant and services associated with such uses;
- (iv) The storage of LPG in holding tanks up to 100 tonnes capacity;
- (v) Accessory facilities for staff involved with LPG storage and load out facility;
- (vi) The storage of water for firefighting and any operation necessary for the safety of the plant, its operators and the public; and
- (vii) Construction, operation and maintenance of a co-generation facility and ancillary structures, including the relocation of an existing entranceway and CNG facility at the existing gas treatment plant.

2.5.13 Kapuni Production Station

The KPS is authorised through the District Plan via a Concept Plan which is found in Section 8 of the District Plan and allows for:

- a) The manufacturing, processing and/or treatment of products.
- b) The packaging, storage and distribution of any products and goods derived from the rural environment, including the operation of warehouses, silos, cool stores and other associated activities.
- c) Laboratories and research facilities ancillary to manufacturing, processing and/or treatment activities.
- d) The operation of transport depots ancillary to manufacturing, processing and/or treatment activities.
- e) Ancillary activities associated with the operation of any permitted activity, including the provision of canteens, dining rooms, ablution, medical, administrative office facilities, parking, loading and unloading of tankers and other service vehicles, rail facilities, water treatment facilities, outdoor storage areas and retail activities.
- f) Farming and intensive farming activities.

- g) Energy generation activities (including petroleum exploration and production) associated with the manufacturing, processing and/or treatment processes.
- h) Existing effluent and waste treatment and disposal facilities associated with the manufacturing, processing and/or treatment process and shown on the relevant concept plans.
- i) Stock holding areas, including loading and unloading facilities.
- j) Activities and facilities involving or associated with the recovery, treatment and/or processing of petroleum or its derivatives.
- k) The construction, alteration of, addition to, removal and demolition of buildings and structures for any permitted activity.

The KPS QRA was accepted through the Environment Court appeal process on the District Plan and has been included in the operative version in Special Map 03.

2.6 Current District Plan Maps

The District Plan maps are arranged into a series of urban and rural maps covering the entire South Taranaki District and four Special Maps related to the Hawera Aerodrome, the Maui Production Station the Kapuni Production Station and the Kupe Production Station.

The existing planning maps subject to the PPC are Rural Maps 08 and 09 and Special Map 03 Kapuni Production Station as outlined in Part A Table 1.1. It is also proposed to introduce three additional special maps to the District Plan.

3 STATUTORY CONSIDERATIONS

3.1 Resource Management Act 1991

3.1.1 Evaluation of the PPC Objective

Section 32 (1)(a) of the RMA requires an examination of the extent to which the objectives of the proposal being evaluated are the most appropriate way to achieve the purpose of the Act.

Section 5 of Part 2 of the RMA sets out the Act's 'purpose' as follows:

(1) The purpose of this Act is to promote the sustainable management of natural and physical resources.

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

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

(b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and

(c) avoiding, remedying, or mitigating any adverse effects of activities on the environment.

RMA Sections 6 Matters of National Importance, 7 Other Matters and 8 Treaty of Waitangi are the other components of Part 2. The PPC is assessed against Part 2 of the Act

The purpose of the RMA is achieved when the matters in (a) to (c) above have been adequately provided for within a District Plan.

Assessment

In the case of this PPC there are not considered to be any section 6 'Matters of National Importance' that are relevant.

Relevant matters within section 7 'Other Matters' that particular regard must be given to are outlined below along with assessment against these matters:

(a) kaitiakitanga:

Consultation has been undertaken with Te Korowai o Ngāruahine Trust and the mana whenua hapū as part of the preparation of the PPC to enable the exercise of kaitiakitanga and to understand the views of tangata whenua. This consultation is detailed in section 5.2.4.

(b) the efficient use and development of natural and physical resources:

Ensuring that the most up to date and accurate risk information for Todd sites is included in the District Plan via the planning maps will provide for the efficient use and development of the Todd sites as well as the neighbouring landowners properties through the removal of unnecessary constraints on the use and development of adjoining land.

Section 8 'Treaty of Waitangi' requires that the principles of the treaty are taken into account. It is considered that Todd has taken into account the principles of the treaty through its engagement with iwi and hapū on the PPC.

In order to achieve the purpose of the RMA, Council must enable people and communities to provide for their economic, social, and cultural well-being and for their health and safety. It is considered the PPC objective will enable the above through more accurate identification and communication of risk, which will provide more certainty, and better enable people and communities to provide for their health and safety. The PPC objective will achieve this outcome while also enabling neighbouring property owners to better provide for their economic, social, and cultural well-being by replacing conservative risk overlays with risk overlays that have been quantified, and peer reviewed, by experts resulting in reduced impact on the use and enjoyment of their properties.

Taking the above assessment into account, the objective of the PPC is considered to be the most appropriate way to achieve the purpose of the RMA.

3.1.2 Part 5 – Sections 72-75

Section 72 'Purpose of District Plans' states:

“The purpose of the preparation, implementation, and administration of district plans is to assist territorial authorities to carry out their functions in order to achieve the purpose of this Act.”

The function of territorial local authorities are set out in section 31 of the RMA and are focused around the ‘integrated management of effects’ with the purpose of the Act being ‘sustainable management’.

Section 73 ‘Preparation and Change of District Plans’, sets out the requirement for territorial local authorities to have a district plan and that it may be changed. It also sets out circumstances when a district plan must be changed. Section 73(2) states that:

“Any person may request a territorial authority to change a district plan, and the plan may be changed in the manner set out in Schedule 1.”

The PPC request is being made under this provision.

Section 74 ‘Matters to be considered by territorial authority’ is as follows:

(1) A territorial authority must prepare and change its district plan in accordance with—

(a) its functions under section 31; and

(b) the provisions of Part 2; and

(c) a direction given under section 25A(2); and

(d) its obligation (if any) to prepare an evaluation report in accordance with section 32; and

(e) its obligation to have particular regard to an evaluation report prepared in accordance with section 32; and

(ea) a national policy statement, a New Zealand coastal policy statement, and a national planning standard; and

(f) any regulations.

Of the above sections 74(1)(a), (b), (d) and (e) are most relevant to consider in terms of the PPC.

Also of relevance to this PPC is **Section 74 (2A)** which states:

A territorial authority, when preparing or changing a district plan, must take into account any relevant planning document recognised by an iwi authority and lodged with the territorial authority, to the extent that its content has a bearing on the resource management issues of the district.

Te Uru Taiao o Ngāruahine is the kaitiaki plan of Ngāruahine iwi and is assessed below in section 3.3.

Section 75 'Contents of District Plans' sets out under sub section (3)(c) that a district plan must 'give effect to a Regional Policy Statement'. The relevant provisions of the Regional Policy Statement for Taranaki (RPS) are identified and assessed below in section 3.2.

3.1.3 Schedule 1

Schedule 1 of the RMA sets out the process for which district plans may be changed. Clause 22 of Schedule 1 requires that requests for private plan changes need to be made in writing to the appropriate local authority and must include:

- *The purpose of the proposed plan change;*
- *The reasons for the proposed plan change;*
- *The content of the proposed plan change;*
- *An evaluation report prepared in accordance with Section 32; and*
- *An assessment of the anticipated environmental effects of the proposed plan change taking into account the requirements of Schedule 4.*

All the requirements in relation to Schedule 1 of the RMA have been addressed in this PPC document.

Section 5A of Schedule 1 provides Council with an option to give limited notification of a proposed change or variation to a policy statement or plan but only if it is able to identify all the persons directly affected by the proposed change or a variation of a proposed policy statement or plan. It is noted that the option under Section 5A of Schedule 1 would only be available in the event that Council decides to adopt the PPC. As the Council is yet to make any determinations in that regard, limited notification is not assessed further in this PPC.

3.1.4 National Planning Standards 2019

Under clause 17 Implementation Standard, South Taranaki District Council have a period of seven years from when the planning standards come into effect to comply with the standards in respect of their District Plan. With respect to the PPC this means that the planning maps are not required to follow the format specified in the planning standards and instead can align with the current map formatting. This matter has been discussed and agreed with Council. At the relevant point in time, when the Council does update its planning maps to the required format, the amendments proposed by this PPC will not limit that ability and can be carried across to the new map format.

There are no National Policy Statement or National Environmental Standards that are relevant to this PPC.

3.2 Regional Policy Statement for Taranaki

The RPS is the overarching regional policy document and as outlined above South Taranaki District Council must give effect to the RPS through its District Plan. Part B of the RPS includes objectives and policies related to Minerals and Energy which are of general relevance to the PPC.

MIN OBJECTIVE 1 To provide for use and development of the region's mineral resources while avoiding, remedying or mitigating any adverse effects on the environment.

MIN Policy 1 Provision will be made to enable appropriate use and development of the region's mineral resources in a way that avoids, remedies or mitigates adverse effects on the environment

MIN Policy 2 The adverse effects of subdivision, use and development activities that may be incompatible with mineral extraction activities by mainly limiting their operations or compromising their ability to extract minerals, will be avoided, remedied or mitigated.

ENE OBJECTIVE 1 To promote the exploration, development, production, transmission and distribution of energy to meet the energy supply needs of the region and New Zealand in a manner that avoids, remedies or mitigates adverse effects on the environment.

ENE OBJECTIVE 3 To increase efficiency in the exploration, development use, production, transmission and distribution of use, production, transmission and distribution of energy. energy.

ENE Policy 2 Efficiency in the use, production and transmission of energy by users of natural and physical resources will be encouraged as far as is practicable and appropriate having particular regard to: (a) energy requirements of urban form, subdivision patterns and site orientation; (b) the design, location and operation of buildings and other structures; (c) transport modes and patterns; (d) use of appropriate energy saving technologies in industrial, commercial and residential situations; (e) waste management including the minimisation, recovery, re-use and recycling of solid wastes and other contaminants, provided that the energy required to carry out these measures is less than that required to produce new products or materials; (f) research into, and development of, alternative energy sources and more energy efficient methods (both traditional and alternative) in the production and transmission of energy; and (g) the respective roles, functions, and responsibilities of particular agencies.

As the PPC does not involve any changes to objectives and policies of the District Plan, and is embracing an existing method of implementation (i.e. PARCs) which is already used in, and encouraged by, the District Plan, the PPC is considered to be consistent with the RPS, as the District Plan gives effect to the RPS.

3.3 Te Uru Taiao o Ngāruahine

Te Uru Taiao o Ngāruahine is the kaitiaki plan of Ngāruahine iwi. Te Korowai o Ngāruahine Trust (TKoNT) is the post settlement governance entity for Ngāruahine. The purpose of the plan is to describe Ngāruahine's relationship with the natural environment; identify environmental issues as well as objectives, policies and methods to achieve the sustainable and culturally appropriate management of resources. The plan also outlines Ngāruahine's expectations for consultation and engagement.

Resource management issues of significance to Ngāruahine are identified in the Taiao chapter of the plan. The identified issues that are relevant to the PPC are outlined in the Papatūānuku chapter where it is identified that the use of hazardous substances and mineral and hydrocarbon exploration and extraction are issues that have actual and potential impacts on the cultural and kinship values or interests of Ngāruahine.

It is considered that there is only one policy of direct relevance to the PPC which is Policy 1.1 which encourages land users and consent authorities to engage with TKoNT to understand the impacts on the mauri of Papatūānuku for the use of hazardous substances.

Engagement with TKoNT is outlined in section 3.3.4 and the engagement is considered to be consistent with the engagement sort under the plan.

3.4 South Taranaki District Plan

3.4.1 Introduction

Council notified the Proposed District Plan for submissions in August 2015 and for further submissions in January 2016. The Council had several appeals to finalise before the Proposed District Plan (2015) could become the operative District Plan. The final appeal was decided by the Environment Court in September 2020.

The District Plan was approved by resolution of the Council on 14 December 2020. The District Plan became fully operative on 22 January 2021.

The purpose of the District Plan is as follows:

The South Taranaki District Plan (the District Plan) contains policies and rules about how the people of the South Taranaki can use and develop land and property within our district. It is a legal document that is purposely drafted to reflect the South Taranaki community and their environment. It seeks to manage natural and physical resources that are important in the district and to ensure that environmental qualities and values are safeguarded for future generations to enjoy.⁵

In respect of the use, storage, handling and disposal of hazardous substances, the District Plan seeks to regulate offsite risk associated with Significant Hazardous Facilities. Significant Hazardous Facilities include petroleum exploration and production activities. For all on-site management of risk associated with Significant Hazardous Facilities and all other activities (i.e. not significant hazardous facilities) which use, store, handle or dispose of hazardous substances, the District Plan relies upon the Hazardous Substances and New Organisms Act 1996 and the Health and Safety at Work Act 2015 and their associated regulations.

3.4.2 Relevant Objectives and Policies

The approach to how risk is managed in the District Plan is outlined in section 2.3 of the PPC. The District Plan contains a number of objectives and policies that support this approach. Those of relevance to the PPC are identified as follows.

⁵ Section 1.1: Introduction and Definitions South Taranaki District Plan

Rural Zone Objectives and Policies

Objective 2.1.4 To enable the efficient and effective functioning of farming and rural based activities, and ensure that activities are not inhibited by adverse effects of new incompatible land uses.

Policy 2.1.9 Ensure that new land use activities are of a nature, scale, intensity and location consistent with maintaining the character and amenity of the rural environment, and avoids or mitigates potential reverse sensitivity effects.

Policy 2.1.15 Manage potential reverse sensitivity conflict between farming, other rural activities and sensitive activities through appropriate separation distances or other measures, while giving priority to existing lawfully established activities.

Rural Industrial Zone Objectives and Policies

Objective 2.6.3 To provide for the efficient and effective operation and development of existing large-scale manufacturing and processing activities and sites in rural areas while ensuring their adverse effects on the environment are avoided, remedied or mitigated recognising their rural location.

Objective 2.6.4 To enable the efficient and effective functioning of existing large-scale manufacturing and processing activities and ensure that these activities are not constrained by adverse effects of new incompatible subdivision, land use and development in the Rural Zone.

Policy 2.6.6 Manage the adverse effects of land use activities and development on each site in the Rural Industrial Zone using Concept Plans which indicate the overall development envelope for that site.

Tāngata Whenua Objectives and Policies

Objective 2.7.9 To provide Tāngata Whenua with opportunities to participate in resource management processes and decision-making.

Objective 2.7.10 To have particular regard to the concept of Kaitiakitanga as defined by Tāngata Whenua of the District in respect of the management of natural and physical resources.

Policy 2.7.12 To actively engage with Tāngata Whenua when addressing matters of concern to Iwi and hapū, including recognition of the relationship of Tāngata Whenua and their culture and

traditions with land, water, sites and areas of cultural and spiritual significance, wāhi tapu and other taonga.

Hazardous Substances and Contaminated Land

Objective 2.9.4 Recognise the important benefits associated with the use, storage, disposal and transportation of hazardous substances whilst also ensuring that risks to the environment and human health are minimised to acceptable levels.

Objective 2.9.6 Recognise the important benefits associated with the use, storage, disposal and transportation of hazardous substances associated with petroleum exploration and petroleum production activities whilst also ensuring that risks to the environment and human health are: (j) Avoided where the risks are unacceptable; and (k) Minimised for lesser risks as low as reasonably practicable (ALARP).

Objective 2.9.7 Sensitive activities are located where they: (l) Avoid areas exposed to an unacceptable level of risk from existing petroleum exploration and petroleum production activities; and (m) Do not compromise existing petroleum exploration and petroleum production activities due to reverse sensitivity effects and /or incompatibility.

Policy 2.9.8 Ensure significant hazardous facilities are located, designed, constructed and managed to minimise risk to the extent practicable and avoid Unacceptable Risk to the environment and human health.

Policy 2.9.12 Manage potential reverse sensitivity conflicts between existing lawfully established significant hazardous facilities and new sensitive activities through subdivision and land use activity controls and other appropriate measures.

Policy 2.9.15 Ensure petroleum exploration and petroleum production activities are located, designed, constructed and managed to avoid Unacceptable Risk and minimise lesser risks as low as reasonably practicable (ALARP) to the environment and human health.

Policy 2.9.17 Require new petroleum exploration and petroleum production activities to internalise the Unacceptable Risk within the site of the activity unless, where the Unacceptable Risk extends outside the site of the activity, a mechanism avoids the Unacceptable Risk to sensitive activities.

Policy 2.9.18 Ensure additions and alterations to existing petroleum exploration and petroleum production activities do not expose existing sensitive activities to Unacceptable Risk.

Policy 2.9.19 Encourage additions and alterations to existing petroleum exploration and petroleum production activities to internalise the Unacceptable Risk within: (a) the site of the existing petroleum activity; or (b) land owned by the operator; or (c) land where the operator has an enforceable interest (including lease, covenant or legal contract).

Policy 2.9.20 Manage additions and alterations to existing petroleum exploration and petroleum production activities where: (a) the Unacceptable Risk extends outside the existing Petroleum Activity Risk Contour, or (b) there is no Petroleum Activity Risk Contour; to avoid Unacceptable Risk to sensitive activities and minimise the lesser risks as low as reasonably practicable (ALARP).

Policy 2.9.21 Manage additions and alterations to existing petroleum exploration and petroleum production activities where there are existing sensitive activities within the existing Petroleum Activity Risk Contour to ensure: (a) the Unacceptable Risk to the existing sensitive activity is avoided; or (b) where the Unacceptable Risk cannot be avoided, risk to the existing sensitive activity is not increased and is minimised to as low as reasonably practicable (ALARP).

Policy 2.9.23 Identify and keep up-to-date on the Planning Maps the Petroleum Activity Risk Contours related to existing petroleum exploration and petroleum production activities using a level of risk threshold of 1×10^{-6} (risk contour).

Policy 2.9.24 That Petroleum Activity Risk Contours will be uplifted from the Planning Maps in whole or in part and for separation distances to no longer apply where: (a) there are no risk generating activities being undertaken; or (b) the level of risk reduces significantly and extant consents or rules do not enable risk generating activities to establish or intensify in the future.

Policy 2.9.25 Avoid new sensitive activities locating in areas which are exposed to Unacceptable Risks from existing petroleum exploration and petroleum production activities.

Policy 2.9.26 Where there is no Petroleum Activity Risk Contour, manage the location of new sensitive activities near existing petroleum exploration and petroleum production activities by applying separation distances based on generic fatality consequence distances for petroleum exploration and petroleum production activities.

3.4.3 District Plan Assessment

The PPC does not propose to introduce any new objectives and policies or change any of the existing objectives and policies outlined above. The existing objectives and policies and rule framework are considered to remain appropriate and the PPC is simply responding to methods of

implementation that are already encouraged and supported by the District Plan. No consequential amendments are required as a result of the proposed changes to the planning maps.

Policy 2.9.23 of the District Plan relating to Petroleum Exploration and Production activities provides direct support for the PPC:

Identify and keep up-to-date on the Planning Maps the Petroleum Activity Risk Contours related to existing petroleum exploration and petroleum production activities using a level of risk threshold of 1×10^{-6} (risk contour).

The District Plan provides further support for the PPC in the Methods of Implementation section of Section 2.9 Hazardous Substances and Contaminated Land:

Regularly share changes to risk assessment information and risk contours between operators and the Council, and undertake plan changes to keep the Petroleum Activity Risk Contour shown on the Planning Maps up to date.

Todd has actively engaged with tangata whenua as part of the development of the PPC and the Schedule 1 process will allow for further opportunities for the exercise of kaitiakitanga.

For the above reasons, the PPC is considered to be consistent with the relevant objectives and policies of the District Plan.

4 ASSESSMENT OF ENVIRONMENTAL EFFECTS

Clause 22 (2) of the RMA First Schedule requires that:

Where environmental effects are anticipated, the request shall describe those effects, taking into account clauses 6 and 7 of Schedule 4, in such detail as corresponds with the scale and significance of the actual or potential environmental effects anticipated from the implementation of the change, policy statement, or plan.

In the case of this PPC it is not anticipated that the updating of District Plan maps will lead to any additional adverse effects, only positive effects.

The PPC does not change the existing 1×10^{-6} risk contours for any of the Todd facilities, or activities undertaken at those facilities, so will not result in any actual or potential adverse effects on the environment over and above those that might already exist. Mapping 1×10^{-6} risk contours in the District Plan as PARCs is supported by the objectives and policies and overall risk management approach of the District Plan which has been shaped by the decisions of the Environment Court. The QRAs undertaken have been through a thorough development process and have been independently peer reviewed.

For the KGTP potential cumulative and synergistic effects have been considered in terms of proximity to the KPS and the risk contour for the cumulative risk does not extend further offsite in any direction, than the individual plant risk contours. This shows that there are no noticeable potential synergistic or cumulative offsite risks from the KGTP being located next to the KPS.

4.1 Positive Effects

It is considered the PPC will result in the following positive effects on the environment:

- More accurate identification and communication of risk to inform land use planning; and
- A significant reduction in the impact of the provisions of the District Plan on the use and development rights of the owners of land adjoining or adjacent to Todd sites, resulting in regulation that is more proportionate to the site-specific risk.

5 CONSULTATION

A summary of the consultation undertaken by Todd and consultation outcomes follows.

5.1 Consultation with Affected Landowners

The following section provides a summary of the consultation undertaken with neighbouring landowners who are currently affected by the generic fatality consequence distances in the District Plan and who are considered to be affected by the PPC:

Table 5.1: Summary of Consultation with Affected Landowners

16 October 2020	Letter sent to all relevant landowners explaining the consequences of the Environment Court decision.
22 November 2021	Letter sent to all relevant landowners confirming Todd will be applying for a Plan Change to replace generic fatality consequence distances with quantified risk contours.
03 October – 9 December 2022	Focussed individual landowner engagement meetings were undertaken to explain the detail of the PPC for each affected landowner and how the proposed changes would affect them. An information pack was provided including property maps and a summary of District Plan information and proposed changes. If compelled, landowners also had the option to sign a letter of support for the PPC. A copy of the information letters are attached in Appendix J . Copies of the signed letters/emails of support are attached as Appendix K .

Table 5.2: Consultation Outcomes

Landowner	Nearby Todd facilities	Support letter/email provided (Y/N)	Comments
Luscombe Partnership	KGTP, KA-02, KA 13, KA-5/10,	Y	Supportive of the PPC
Roger and Lyn Luscombe	KGTP	Y	Supportive of the PPC
Blair and Olivia Luscombe	KA 5/10	Y	Supportive of the PPC
Steve and Nicole Bailey	KAP J	Y	Supportive of the PPC
Colin and Caroline Koch	KAP J, KA 8/18	Y	Supportive of the PPC
Eddie Bourke	KA 03	Y	Supportive of the PPC
Maurice and Karen Hurley	KA 6/11/17	Y	Supportive of the PPC
Mark Hughson and Bruce Moller	KA 9/16	Y	Supportive of the PPC
Rod and Maree Goldsworthy	KGTP, KA 1/7/19/20	Y	Supportive of the PPC
John and Margaret Smith	KA 5/10	No formal response provided to date	Meeting was held with the Smith's. They were verbally supportive of the plan change.
Henry and Kim Schrader	KA 9/16	Y	Supportive of the PPC
Darryl Smith	KGTP, KA 1/7/19/20	Y	Supportive of the PPC
Colleen Pease and Jamie Wallace	KA 8/18	Y	Supportive of the PPC
Kieran and Susan Crowley	KA 4/14	No formal response provided to date	Live overseas and were emailed PPC information. They responded with some queries that were answered to their satisfaction.
Alistair, Imelda and Stephen Abbott	KA 9/16, KA 4/14	Y	Supportive of the PPC

Brent, Kevin, Olive and Rodney Perrett and Robin Gill	KA 5/10, KA 9/16	Y	Supportive of the PPC
Sandra Heath	KA 5/10	Y	Supportive of the PPC
Bernard, Daniel, Peter and Robert Malone	KA 4/14, KA 6/11/17	Y	Supportive of the PPC
Patricia Nuku	KA 5/10	No response provided to date	Pat is recently deceased. Her estate could not be located during the consultation period.
Andre Webb	KA 5/10	Y	Supportive of the PPC
Neil Schuler	KA 4/14	Y	Supportive of the PPC
John and Phyllis Malcolm	KA-3/3A	Y	Supportive of the PPC
Richard and Bridget Rukuwai	KA 6/11/17	Y	Supportive of the PPC
Kelvin Buckthought	KA 02	Y	Supportive of the PPC
Kiwirail	KGTP, KA 9/16	No response provided to date	Information emailed to KiwiRail.
Powerco	KGTP	Y	Email of support was provided
Ballance Agri- nutrients	KGTP	No formal response provided to date	Verbal support was provided and Ballance have indicated that an email of support will be provided in the near future. Consultation was also undertaken with Hiringa Energy, who have partnered with Ballance for a future development on Ballance land.
South Taranaki District Council	KGTP, KA 1/7/19/20	Y	Email of support was provided

Copies of the signed letters /emails of support are attached as **Appendix K**.

5.2 Community Advisory Group (CAG)

There are 15 local neighbours and landowners invited to CAG meetings including a representative from the Okaiawa Volunteer Fire Brigade. The CAG structure is governed by a charter and these long-running engagement forums, are well established having been introduced by Shell Todd Oil

Services (STOS) around 20 years ago, and then carried on by Todd since 2017. Todd holds CAG meetings on a quarterly basis at the Kapuni Hall.

CAG meetings where the PPC was discussed were held on 7 October 2020, 18 March and 23 June 2021, and 12 April, 23 June and 27 September 2022. General updates on the process, including the current District Plan impacts, the QRA processes and the proposed impacts, post plan change were discussed. The CAG forum is supportive of the PPC. CAG meetings have a formal structure with a chairperson and minutes are taken and recorded.

5.3 South Taranaki District Council

Engagement with STDC Planning Team has been ongoing since late 2020. The STDC have provided guidance through the development of the PPC including providing guidance on the QRA methodology and peer review requirements and overall PPC process. They provided feedback on potentially affected parties and its consultant planner has provided feedback on the specific changes sought to the District Plan maps and on a draft plan change document. Meetings with STDC were held on 23 December 2020, 11 March 2021, 17 March 2022, 4 May 2022, 29 June 2022, 11 July 2022, 10 October 2022 and 07 March 2023.

5.4 Te Korowai o Ngāruahine Trust

Te Korowai o Ngāruahine Trust (TKONT) are the post settlement governance entity for Ngāruahine Iwi. The Todd sites which are the subject of the PPC are within the rohe of Ngāti Manuhiakai and Ngāti Tu hapū. A summary of consultation with iwi and hapū follows:

Table 5.3: Summary of Consultation with Iwi and Hapū

Meeting Date	Material Covered	Feedback
14 June 2022	<p>Emailed a presentation of Kapuni consenting and updates for tangata whenua inviting a kanohi ki te kanohi hui</p> <ul style="list-style-type: none"> • Ngati Manuhiakai • Ngati Tu • Te Korowai o Ngaruahine 	Ngāti Manuhiakai and TKONT would like to hold a Hui

	1 slide on the Plan Change	
27 June 2022	Hui with TKONT to go through presentation above and update To introduce the Plan Change	When will this be resolved?
19 July 2022	Zoom Hui with Ngāti Manuhiakai Introducing the Plan Change	What do the farmers think? How will this implicate the neighbours or farm owners?
06 September 2022	Zoom Hui with Ngāti Manuhiakai General catch up (Plan change a line item)	No comment
29 September 2022	Hui with Ngāti Tu To introduce the Plan Change	The affected landowners will be glad once this is completed
11 November 2022	Zoom Hui with Ngāti Manuhiakai General catch up (Plan change a line item)	No comment or feedback required
9 December 2022	Kanohi ki te Kanohi Hui with TKONT Todd has been working with affected landowners and have ~20 signatures to support the Plan Change. This is almost ready to send to Iwi for review.	No comment or feedback required
15 December 2022	Kanohi ki te kanohi Hui with Ngāti Tu Todd has been working with affected landowners and have ~20 signatures to support the Plan Change.	No comment or feedback required

No concerns were raised during tangata whenua engagement. There was acknowledgment that the outcomes of the PPC would be beneficial to the local community. Tangata whenua would like process updates and have advised they will maintain a watching brief as the PPC application progresses.

5.5 Taranaki Energy Watch

A meeting was held with Taranaki Energy Watch (TEW) on 2 February 2021 to discuss the PPC and the potential peer review of the QRAs by TEW independent risk expert. TEW acknowledged that the existing AECOM peer review process endorsed by Council was their preferred way forward. However, they advised they would be happy for their independent risk expert to provide further review of the final QRAs and Suitability Reports. TEW reiterated the following principles that their risk expert would be expecting, based on the previous Environment Court hearing process, being;

- Ensure the QRA reflects the maximum developed case or allows for any identified future growth over the period the plan may apply (regardless of what the current operations are). If the QRA is not consistent with the maximum development envelope, explicitly identify what is not included.
- Don't allow for factors such as emergency response / evacuation when assessing offsite individual risk (it may be OK for onsite risk but that's not appropriate for land use planning).
- Don't exclude high consequence events (e.g. BLEVE) on the basis of low frequency.

A follow up meeting was held with TEW on 3 November 2022 to provide an update on the QRA and peer review process and timing for submission of the PPC. It was agreed to share copies of the QRAs and Suitability Reports with TEW once all documentation is finalised.

5.6 Federated Farmers

A Zoom meeting was held with Federated Farmers on 20 January 2023. Additional information was provided to Federated Farmers and an email of support was provided on 23 February 2023. A copy of this email of support is attached in **Appendix K**.

6 EVALUATION REPORT

6.1 Introduction

Section 32 of the RMA outlines the requirements for preparing and publishing evaluation reports. An evaluation report must examine the extent to which the objectives of the proposal being evaluated are the most appropriate way to achieve the purpose of the RMA. This evaluation has been undertaken in section 3.1.1.

An evaluation report must also examine whether the provisions in the proposal are the most appropriate way to achieve the objectives. When examining the provisions of the PPC, to evaluate whether they are the most appropriate way to achieve the objective, Section 32(1)(b)(i) of the RMA requires identification of “other reasonably practicable options” to promote sustainable management, including retaining the status quo, non-regulatory methods and plan changes. This part of the report outlines the processes undertaken and examines other reasonably practicable options considered to achieve the objective of the PPC.

The other reasonably practicable options evaluated are discussed below, with the conclusion that the PCC is the most appropriate way to achieve the objective of the PPC.

6.2 Reasonably Practicable Options

It is considered that there are three feasible options available, noting that one is the status quo which does not achieve the PPC objective. In order to determine whether the other options are reasonably practicable, a comparative analysis has been undertaken.

6.2.1 *Option 1 – No Changes to Planning Maps ‘Status Quo’*

The option to “do nothing” is to make no changes to the planning maps which would retain the existing generic fatality consequence distances of 250 m for Todd well-sites and 650 m for petroleum production stations and gas treatment plants.⁶ This option does not resolve the issue of the generic fatality consequence distances being overly conservative and resulting in unnecessary regulation and encumbrance on areas of neighbouring land. Taking into account the peer reviewed QRA work that has been undertaken for the Todd sites, this option is not appropriate because it is clear that introducing PARCs for Todd’s sites is a more effective and efficient planning approach, which has a strong level of support from the affected landowners. This option does not achieve the objective of the PPC.

⁶ Noting that the KPS already has a PARC mapped in the District Plan

Additionally, not adding a PFAA for the Kapuni J Wellsite would provide the impression that flaring does not occur at this site when in fact the site is consented for flaring and flaring will occur.

Leaving PFAAs on the planning maps for KA 3/3A and KA 9/16 would indicate to users of the District Plan and surrounding landowners that there is the possibility of flaring at these sites when this is no longer the case. It is important that planning maps provide accurate and up to date information as far as possible in order to provide certainty for the community.

6.2.2 Option 2 – Make Changes to the District Plan during the next District Plan Review Process

This option would involve retaining the generic fatality consequence distances for the Todd facilities and waiting until the next full review of the District Plan to incorporate the 1×10^{-6} (risk contours) and update the PFAAs. This review would be required to occur in approximately 2031. The issues identified in the PPC request would continue to remain for a significant period of time.

6.2.3 Option 3 – Change Planning Maps to Introduce PARCs and Add/Remove PFAAs

This option would introduce PARCs to the Planning Maps for the identified Todd sites based on QRAs that have been through a robust independent peer review process aligned with the Environment Court appeal decisions and update the PFAAs. Introducing PARCs will benefit adjacent landowners in terms of removing unnecessary planning regulation on their land. Introducing PARCs will also more accurately identify and communicate risk, and provide for better management of risk, for each of the Todd sites. This option requires no changes to the existing objective, policy and rule framework so the intent and integrity of the District Plan in relation to the management of risk, and reverse sensitivity matters related to petroleum exploration and production activities, remains unchanged.

Table 6.1: Evaluation of Options

	Option 1: No Changes to the Planning Maps - Retain Generic Fatality Consequence Distances	Option 2: Make Changes to the District Plan during the next District Plan Review Process	Option 3: Preferred Option - Change Planning Maps to Introduce PARCs and Add/Remove PFAAs
Appropriateness	The option is not considered to be appropriate as it will not resolve the issues identified and achieve the objective of the PPC	The option is not considered to be appropriate given the time until the next full District Plan review process	The option is considered to be appropriate given the QRA process that Todd has undertaken, the fact that the District Plan provides for and encourages the mapping of PARCs and PFAAs in the District Plan and given the level of landowner support for the option
Reasonableness	The option is not considered to be reasonable given that peer reviewed quantified risk contour information is available and given the District Plan encourages the mapping of PARCs in the District Plan	While the option would address the issues identified and achieve the objective of the PPC request it would not do so in a reasonable timeframe	The option is reasonable as the approach is recognised and provided for in the District Plan and can be achieved in a reasonable timeframe
Achievability	The option is simple to achieve as the approach is already in place and requires no further action	The option would be relatively simple to achieve as the changes could be incorporated into the next District Plan	The option requires a private plan change process. However, the changes to the

		as part of a full review process	District Plan are simple and do not change any of the objectives or policies, or provisions other than the identified planning maps. The changes do not impact on the integrity, or the general approach outlined in the District Plan so can be easily achieved
Relevance	The option is considered to have a low level of relevance as it does not resolve the issues identified and achieve the objective of the PPC	The option is considered to have a low level of relevance as the issues identified will remain for a long period of time	The option is of high relevance as it will resolve the issues in a timely manner
Usefulness	The option does not resolve the issues and achieve the objective and therefore is not useful	While the option will resolve the issues identified it will not do so in a timely manner	The option is useful as it resolves the issue identified and can be achieved in a relatively straight forward and timely manner

6.2.4 The Preferred Option

The above analysis demonstrates why the proposed changes to the planning maps via a private plan change is the preferred option. This option consistently meets the evaluation criteria, addresses the issues identified and achieves the objective of the PPC request in a timely manner. The preferred option is considered to be the most appropriate way of achieving the objective of the PPC.

6.3 Efficiency and Effectiveness

The **objective** of the PPC is to accurately identify risk for each of Todd's Kapuni sites and ensure regulation of the use and development rights of neighbouring landowners is proportionate to the quantified risk. The PPC seeks to achieve the objective through amendments and additions to the planning maps (**the provisions**).

As required by section 32(1)(b)(ii) of the RMA, Todd must assess the efficiency and effectiveness of the PPC's provisions in achieving the PPC's objective. As outlined in section 2.2, effectiveness means how successful a particular option is in addressing the issues identified while efficiency means the measuring by comparison of the benefits to costs.

This assessment involves identifying and assessing the benefits and costs of the environmental, social, cultural and economic effects anticipated from the implementation of the PPC's provisions. This assessment is undertaken in Table 7.1 below which also compares the costs, benefits, efficiency and effectiveness of Options 1-3. An efficiency and effectiveness assessment must also assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.

In this case, the options have been quantified to the extent that is practicable. Further quantification would either be uneconomic (i.e. the cost economic analysis would outweigh any additional information if might provide), or would be speculative given the variables for each option.

Table 6.2: Evaluation of PPC Provisions and Comparison of Options

	Option 1: Retain Generic Fatality Consequence Distances	Option 2: Make Changes to the District Plan during the next District Plan Review Process	Option 3: Preferred Option - Change Planning Maps to Introduce PARCs and Add/Remove PFAAs
Benefits	<p>Environmental</p> <p>No benefits identified</p> <p>Economic</p> <p>No plan change costs</p> <p>Social</p> <p>No benefits identified</p> <p>Cultural</p> <p>No benefits identified</p>	<p>Environmental</p> <p>The option manages risk based on quantified risk information. The option provides for better management of reverse sensitivity effects and land use planning compatibility</p> <p>However, due to the method for implementing the option the benefits would only occur in the medium term</p> <p>Economic</p> <p>Landowners affected by the PPC will have enhanced permitted development rights and will benefit economically from having more flexibility to use and development their land</p> <p>Todd will have more certainty for undertaking alterations and additions to their existing facilities</p>	<p>Environmental</p> <p>The option manages risk based on quantified risk information. The option provides for better management of reverse sensitivity effects and land use planning compatibility</p> <p>Economic</p> <p>The PPC request is proposed by Todd and as such the Council and the community does not bear the costs associated with it</p> <p>Landowners affected by the PPC will have enhanced permitted development rights and will benefit economically from having more flexibility to use and development their land.</p>

		<p>However, due to the method for implementing the option the benefits would only occur in the medium term</p> <p>Social</p> <p>The quantified risk contours provide greater certainty to neighbouring landowners of the risk presented by Todd facilities. However, due to the method for implementing the option the benefits would only occur in the medium term</p> <p>Cultural</p> <p>No benefits identified</p>	<p>Todd will have more certainty for undertaking alterations and additions to their existing facilities</p> <p>Social</p> <p>The quantified risk contours provide greater certainty to neighbouring landowners of the risk presented by Todd facilities</p> <p>Cultural</p> <p>No benefits identified</p>
<p>Costs</p>	<p>Environmental</p> <p>A less scientific and reliable approach. Reverse sensitivity and land use planning are not optimally managed</p> <p>Economic</p> <p>Neighbouring landowners' property rights remain disproportionately encumbered by provisions in the District Plan</p>	<p>Environmental</p> <p>Reverse sensitivity and land use planning are not optimally managed until such time as the District Plan review process is undertaken</p> <p>Economic</p> <p>Neighbouring landowners' property rights remain disproportionately encumbered by provisions in the District Plan until</p>	<p>Environmental</p> <p>No costs identified</p> <p>Economic</p> <p>Costs to Todd of pursuing this PPC and costs to any submitters and to the Council in respect to their involvement</p> <p>Social</p> <p>None identified</p>

	<p>Social</p> <p>Neighbouring landowners remain uncertain about what the generic consequence fatality distances represent in terms of risk</p> <p>Cultural</p> <p>No costs identified</p>	<p>such time as the District Plan review process is undertaken. Costs to Council through District Plan review process</p> <p>Social</p> <p>Remaining uncertainty for landowners about what the generic consequence fatality distances represent in terms of risk until such time as the District Plan review process is undertaken</p> <p>Cultural</p> <p>No costs identified</p>	<p>Cultural</p> <p>No costs identified</p>
<p>Opportunities for economic growth and employment to be provided or reduced</p>	<p>The generic and conservative nature of the consequence distances results in large encumbrances on neighbouring land resulting in loss of property rights and perceived loss in property value. This option has an adverse impact on neighbouring landowners' opportunities for economic growth and employment</p>	<p>The quantified risk contours associated with this option result in enhanced development rights for neighbouring landowners which in turn result in enhanced opportunities for economic growth and employment. However, these opportunities would only occur in the medium term once a full District Plan review occurs</p>	<p>The quantified risk contours associated with this option result in enhanced development rights for neighbouring landowners which in turn result in enhanced opportunities for economic growth and employment. These opportunities would occur in the short term on approval of the PPC</p>
<p>Efficiency and effectiveness</p>	<p>The option does not address the issues identified by the PPC and does not achieve the objective</p>	<p>The option addresses the issues identified by the PPC and achieves the</p>	<p>The option addresses the issues identified by the PPC and achieves the objective in a timely</p>

of achieving objectives		objective but does not do so in a timely manner	manner with the least costs and the most benefits
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6.3.1 Evaluation of Options Summary

The above table demonstrates that Option 3 is the most appropriate as it addresses the issues identified in a timely manner and achieves the objective of the PPC. Option 3 results in the most benefits and the least costs and is the most efficient and effective option to achieve the PPC objective.

The provisions of this PPC (i.e. the proposed PARC) are primarily based on independently peer reviewed QRA prepared by experts in accordance with the District Plan and the agreed approach in the Environment Court. The information to support the PPC is detailed, certain and robust and there is considered to be a low risk in acting on the PPC. Alternatively, the risk of not acting is that the affected landowners remain uncertain of what generic fatality consequence distances represent and the additional and disproportionate encumbrances placed on their land, including the associated loss of property rights and perceived loss in property value, remain.

6.4 Advice Received from Iwi Authorities

Section 32(4A) requires that the evaluation report summarises all advice received from iwi authorities and any response to the advice, including any provisions of the PPC that are intended to give effect to the advice.

Consultation with Te Korowai o Ngāruahine Trust is summarised in section 5.4. No specific advice has been received from the Trust other than wishing to be kept informed of progress. Todd's response has been to agree to keep the Trust informed. There are no provisions of the PPC that are intended to give effect to advice received.

6.5 Scale and Significance

Section 32(1)(c) of the RMA requires an evaluation report to contain a level of detail that corresponds to the scale and significance of the environmental, economic, social and cultural effects anticipated from the implementation of the Plan Change.

Table 7.2 below outlines the criteria applied to determine the scale and significance of the effects that are anticipated from implementation of the PPC:

Table 6.3: Scale and Significance of Proposed Plan Change

Criteria	Assessment
Number of people affected	Low
Magnitude and nature of environmental effects	High positive
Geographic Extent	Low
Degree of risk or uncertainty	Low
Stakeholder Interest	Medium
Māori Interest	Low
Information and Data is Readily Available	High
Information and Data is Robust and Easily Quantified	High
Extent of Change from Status Quo	Medium

In this instance, the scale and significance of the adverse effects that are anticipated from the implementation of the PPC are considered to be low for the following reasons:

- The PPC does not impact on the entire District and only relates to a small number of sites and therefore is of localised interest to stakeholders;
- The PPC does not propose any changes to the objectives and policies of the District Plan, only proposing changes to the planning maps;
- The proposed changes to the District Plan are based on QRA that have been peer reviewed by Council’s independent Risk Engineers. The QRA methodology applied aligns with the approach developed through the Environment Court appeal process on the District Plan using the precautionary approach;
- Consultation with affected landowners has indicated widespread support for the PPC; and
- The PPC is consistent with the objectives and policies of the District Plan, the RPS and Te Uru Taiao o Ngāruahine.

7 CONCLUSION

This report presents an evaluation undertaken by BTW Company Limited on behalf of Todd Energy Ltd in accordance with Schedule 1 and Section 32 of the RMA for a PPC to make amendments to the South Taranaki District Plan planning maps.

The objective of the PPC is to accurately identify offsite risk for each of Todd's Kapuni sites and ensure regulation of the use and development rights of neighbouring landowners and management of the risk is proportionate to the quantified risk.

The PPC seeks to achieve the objective through the inclusion of site-specific risk contours in the District Plan maps, being PARCs, enabling the management of that risk through the existing South Taranaki District Plan (District Plan) framework without any other amendments. This will remove unnecessary regulation on the use and development rights of neighbouring landowners, resulting from the existing application of the current generic fatality consequence distances within the District Plan.

This report outlines the process that was taken to identify the issues and the objective of the PPC and then evaluates the options available to determine if the proposed provisions are the most appropriate in achieving the plan change objective.

The report assesses all relevant statutory documents and provisions and provides an assessment of environmental effects.

The report concludes that:

- The PPC will not result in adverse effects on the environment but will result in positive effects on the environment;
- The vast majority of affected neighbouring landowners and other stakeholders support the PPC;
- The PPC is entirely consistent with the objectives and policies of the District Plan and all other relevant statutory documents;
- The proposed option is the most appropriate as it addresses the issues identified and achieves the objective of the PPC. The proposed option results in the most benefits and the least costs and is the most efficient and effective option to achieve the PPC objective; and

- The scale and significance of the adverse effects of the PPC are low.

As such, it is considered appropriate for the proposed amendments to the planning maps to be made.