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**Firstgas**

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Dear Vicky

## Proposed National Policy Statement on Urban Development

Firstgas Group Limited welcomes the opportunity to comment on “*Planning for successful cities*”, the discussion document on a proposed National Policy Statement on Urban Development, released in August 2019.

### Executive Summary

Firstgas owns a Gas Transmission network that is both regionally and nationally significant under the Resource Management Act 1991. Therefore, it is critical that the Gas Transmission Network is recognised and provided for when planning for urban growth, and that it is not compromised by urban development which may restrict its effective, efficient and safe operation, maintenance and upgrade.

Firstgas generally supports the intent of the proposed National Policy Statement on Urban Development (NPS-UD). It will help achieve the sustainable management approach intended through the Resource Management Act 1991 (RMA), by ensuring that urban planning enables people and communities to provide for their well-being through development which supports quality urban environments.

Our submission focuses on the following key points:

1. To achieve the NPS-UD key objectives, the planning system should recognise and provide for the Gas Transmission Network. These provisions would ensure the safety of people and the network and ensure the reliability of gas supply to communities living and working around the network.
2. In considering urban amenity, it is critical that urban growth acknowledges the presence of, and plans for, the Gas Transmission Network and the effects it may generate in order to provide for people’s well-being, health and safety.
3. If not well planned, urban development potentially compromises the safe and efficient operation of the Gas Transmission Network, including the ability to operate critical infrastructure and legally and physically access and maintain the network easements.
4. Firstgas would like to see all Councils encouraged to prepare Future Urban Development Strategies (FDS) and, identify existing infrastructure corridors in the FDSs. Firstgas also supports better Council engagement through the RMA to manage the potential threats of urban development. This can be achieved through more consistent policy and enabling provisions of activities close to the Gas Transmission Network and the ability of Firstgas to mitigate and manage these potential threats.
5. Firstgas is generally supportive of the features of a quality urban environment as stated in draft objective O2 and, O2 (c) “using land, energy and infrastructure efficiently”.
6. The presence of the Gas Transmission Network would not preclude urban development (e.g. could be used for open space /roads/ walking / cycling corridors), but it would restrict the degree of intensification in those areas close to the network.

It is Firstgas' view that any direction for urban growth should not compromise the ability for existing infrastructure to be operated, accessed, maintained or be upgraded.

The risk for Firstgas is that national direction through the NPS-UD or through other urban growth national direction has the potential to “trump” the Gas Transmission Network in a policy sense. This is particularly relevant through recent caselaw in plan making processes and the determination of resource consent applications. Therefore, it is critical that potential conflicts of urban growth and existing infrastructure are captured and addressed in the NPS-UD.

We have responded to select consultation questions in **Attachment 1**.

## **About Firstgas Limited**

Firstgas Limited (“Firstgas”) owns and operates more than 2,500 kilometres of high-pressure gas transmission pipelines and other supporting above and below ground infrastructure that supply natural gas from Taranaki to industrial consumers throughout the North Island. The collective infrastructure required to supply gas is referred to as the “Gas Transmission Network” in our submission.

In addition to the Gas Transmission Network, Firstgas also operates more than 4,800 kilometres of gas distribution networks across the North Island. Through these distribution networks, Firstgas provides gas distribution services to gas retailers who sell gas to more than 60,000 customers across Northland, Waikato, the Central Plateau, Bay of Plenty, Gisborne and Kapiti regions.

The Firstgas Group also owns energy infrastructure assets across New Zealand through our affiliate Gas Services NZ Limited (GSNZ), a separate business with common shareholders that owns the Ahuroa gas storage facility and Rockgas. These businesses were both added to the First Gas Group in the past 12 months, providing valuable perspectives from different parts of the gas supply chain for our regulated transmission business. The Ahuroa gas storage facility (trading as Flex Gas Limited) can store up to 18PJ of gas, with expansion planned over the next two years to increase the injection and withdrawal rates of the facility. Visit the website [www.flexgas.co.nz](http://www.flexgas.co.nz). Rockgas has over 80 years' experience providing LPG to 100,000 customers throughout New Zealand. Visit the website [www.rockgas.co.nz](http://www.rockgas.co.nz).

## **Our interest in the proposed National Policy Statement (NPS)**

In a Resource Management Act 1991 (“RMA”) context, Firstgas' assets and operations deliver significant benefits to the wider North Island. The transmission and distribution of natural gas provides for economic growth, enables communities, business and industry to function, and provides for people's social well-being and their health and safety. In particular, the Gas Transmission Network is both regionally and nationally significant and therefore the focus of our comments in this submission.

## **Firstgas' approach to RMA Processes**

Firstgas purchased the Gas Transmission and Distribution Networks in 2016. Up to that point, former owners and operators had relied on the legal easement to protect and enable works on the network. Reliance on this land instrument, as opposed to planning instruments, has not always secured good outcomes for Firstgas. For example, there have been instances where:

- Rural land has been subdivided without consideration of the pipeline easement and the ability to operate critical infrastructure;
- Legal and / or physical vehicular access to maintain pipeline easements have been compromised through subdivision and land use development;
- Activities that are sensitive to the Gas Transmission Network have been authorised to establish and operate in too close a proximity to the network; and
- Land use changes adjacent to or nearby the easement have resulted in increased threats to the pipeline easements.

Consequently, since purchasing the Gas Transmission Network, Firstgas has become active in RMA processes through submissions. The outcomes sought have generally been to:

- Enable the operation, maintenance, upgrade, development and/ or removal of its assets and operations; and
- Protect its assets and operations from others' land-use activities and land use changes and development either within or adjacent to the easement.

To assist this, Firstgas has worked on consistent protection policy provisions to be sought in district plan processes, and worked with other linear infrastructure providers to identify some national level planning guidance for network utilities.

### **Operation, maintenance, replacement, upgrade, removal and development**

Firstgas' gas network is regionally and nationally significant infrastructure in that it delivers significant benefits to people's social and economic well-being, as well as provide for their health and safety.

In light of the benefits provided by the network, the safe, efficient and effective operation, maintenance, replacement, upgrade, removal and/ or development of the network needs to be provided for in land use planning frameworks, while ensuring adverse effects generated by those activities and operations are appropriately managed. This is sought to be delivered through enabling objective and policy frameworks and enabling rules and activity statutes.

### **Protection from third party works**

Under its operating standard, Firstgas has an obligation to ensure the safety of the pipeline network and the people living and working near the network. Pipelines are required to meet the safety and operational requirements of the *Health and Safety in Employment (Pipelines) Regulations 1999* and the operating code *Standard AS2885 Pipelines – Gas and Liquid Petroleum (AS2885)*. Firstgas is required to ensure the protection and integrity of the pipeline is maintained to ensure the safety of the public, property and the environment.

Third party interference is one of the main risks to the safety and integrity of the underground pipelines. Activities which may affect the gas pipelines need to consider the location and protection requirements of the pipelines.

Activities in the vicinity of the Gas Transmission Network need to be carried out in such a way so as not to compromise the safe and efficient operation of the gas transmission network, including the ability to legally and physically access the network with the necessary machinery to undertake works.

Firstgas is seeking to manage third party interference through the triggering of resource consent for a range of activities including land use and activity set-backs and the subdivision of land containing, or in close proximity to, the Gas Transmission Network.

### **Consistent approach to Council District /Regional Plan reviews**

Firstgas works proactively with local authorities through district plan reviews to seek to embed both enabling and protective provisions in district plans. The outcomes sought by Firstgas are to achieve consistent provisions related to the gas network.

In the context of managing adverse effects from development, specific outcomes sought are:

- Mapping of the Gas Transmission Network and associated designations including ancillary infrastructure, on planning maps;
- A restricted discretionary activity for the subdivision of land containing the Gas Transmission Network, with the matters of discretion including any technical advice from Firstgas;
- Permitted activity land use development and activity set back standards from the Gas Transmission Network, inclusive of above ground gas stations; and
- Reverse sensitivity provisions related to the gas network.

### **Concluding remarks**

Firstgas acknowledges the role that the Proposed NPS – UD has in the planning system in enabling growth and regulating land use in urban areas. Firstgas generally supports the intent of the NPS-UD,

however it seeks to ensure that the Gas Transmission Network is recognised and provided for and is not compromised in terms of the ability for the network to be safely operated, maintained, accessed and upgraded. Firstgas seeks that the NPS – UD provides direction for local authorities to appropriately manage the potential reverse sensitivity effects of urban development on the network.

Firstgas welcomes further discussion around the proposed NPS – UD in relation to the management of urban development near the Gas Transmission Network. To discuss this submission further or arrange a meeting with Firstgas, please contact Anthony Joines, Firstgas Land and Planning Manager, on 027 606 5633 or email: [anthony.joines@firstgas.co.nz](mailto:anthony.joines@firstgas.co.nz).

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Collins', with a long horizontal flourish extending to the right.

**Karen Collins**  
Regulatory Policy Manager

## Attachment 1: Consultation questions

Firstgas has responded to selected questions raised in the consultation document.

Question	Firstgas response
1	<p>Firstgas generally supports the intent of the NPS on Urban Development (NPS – UD) to the extent it seeks to deliver quality urban growth. Growth needs to be well planned, including provision and access to energy and other services.</p> <p>The presence of existing infrastructure, particularly how that infrastructure may impact on the quality of the future urban environment (both positive and adverse) needs to be planned from the outset. For example, if the area for growth includes an above ground gas station (e.g. a delivery point where the high pressure gas transmission network transitions to the low pressure distribution network), that station will generate a degree of adverse effects and therefore appropriate set-backs for subdivision and land use development and activities need to be applied to ensure a good quality outcome as well as address reverse sensitivity effects.</p> <p>Firstgas considers an NPS framework under the RMA is an effective method of achieving this.</p>
3	<p>Firstgas generally supports the intent of Future Urban Development Strategies (FDS) to inform decisions about how to allow for urban growth plans. The changes to strengthen and clarify the FDS requirements to more effectively guide long-term planning is positive. The use of spatial plans in this respect is useful and can be used to identify key infrastructure such as the Gas Transmission and Distribution Network which has both opportunities and constraints for urban development.</p> <p>Firstgas would like to see more emphasis on existing infrastructure corridors in the NPS-UD to the extent they need to be understood in terms of how that infrastructure may impact future growth. For example:</p> <ul style="list-style-type: none"> <li>• Set-backs will be appropriate from the Gas Transmission Network’s pipeline and above ground infrastructure; and</li> <li>• “Outward” growth (greenfield growth) has implications for the Gas Transmission Network, and in particular, the depth of the pipeline and vehicle movements over it. These issues need to be worked through with Firstgas so that potential effects can be avoided or mitigated to an acceptable degree.</li> </ul> <p>Firstgas would like to see all Councils encouraged to prepare FDSs, and in particular identify existing infrastructure corridors in the FDSs.</p>
4	<p>Firstgas generally supports the approach for the NPS – UD to provide national level direction about the features of a quality environment.</p> <p>A quality environment can be partly achieved by ensuring that people’s enjoyment and amenity values are not comprised by existing infrastructure. This approach has the benefit of protecting that infrastructure from reverse sensitivity effects. National direction on this is very much supported. Constraints mapping, as well as an understanding of the implications of the constraints, can help achieve this outcome.</p> <p>Firstgas is generally supportive of the features of a quality urban environment as stated in draft objective O2 and in particular O2 (c) ‘using land, energy and infrastructure efficiently’.</p>

Question	Firstgas response
5	<p>In the context of amenity, Firstgas note that the presence of infrastructure can cause adverse effects. An example of this is a Delivery Point Station where gas is vented (released to air at a high pressure) or flared (combusted) from the network. Venting and flaring may also occur on the pipeline where maintenance works are required to be undertaken.</p> <p>These activities are critical to the safe functioning of the Gas Transmission Network but can have adverse amenity effects (including noise, odour and visual effects). In considering urban amenity, it is therefore critical that urban growth acknowledges the presence of, and plans for, the Gas Transmission Network and the effects it may generate in order to provide for people's well-being, health and safety.</p> <p>National direction on this would be supported.</p>
8	<p>Firstgas generally supports the intent to provide for intensification in specific areas.</p> <p>It is critical however that those areas are appropriate for intensive development, including being suitably distanced from existing critical infrastructure such as the Gas Transmission and Distribution Networks. Medium and high-density residential activity, as well as a range of other activities and land uses where large crowds may congregate are activities that are sensitive to the Gas Transmission Network. These activities need to be set back from the Gas Transmission Network for safety and other reasons.</p> <p>Firstgas notes that the proposed objectives and policies are intended to shift the focus to intensification in all areas that can maximise the benefits, unless there is a good evidence basis for not doing so. The presence of the Gas Transmission Network in a particular area is considered to be a reason why intensification would not be appropriate in all areas.</p> <p>The presence of the Gas Transmission Network would not preclude urban development (e.g. could be used for open space / walking / cycling and road corridors), but it would restrict the degree of intensification in those areas close to the network.</p>
9	<p>Third party interference with the Gas Transmission Network is a major issue for Firstgas. This is prevalent in the development of greenfield sites through both subdivision and land use activities. Such development often generates reverse sensitivity effects and has the potential to restrict access to the pipeline for ongoing operation, maintenance and upgrade activities. There are also issues during large scale construction, for example where construction traffic passes over the pipeline. This is often exacerbated by the pipeline in greenfield locations having less cover / protection than in urban areas.</p> <p>It is therefore critical that Firstgas is consulted with during the outward growth of urban centres. Larger scale urban development, often facilitated through subdivision, provides greater opportunities for 'designing-in' the Gas Transmission Network. For example, open space corridors and cycleways / walkways / roads can be a compatible land use. The example policy framework addresses this to a degree through reverse sensitivity both within and adjacent to the location(s) identified.</p>
11	<p>The use of a national environmental standard or national planning standard to direct growth would need to be considered in relation to other national directions.</p> <p>For example, Firstgas is a contributor work underway on a National Planning Standard for utilities and the outcomes and directions through that process would need to be made compatible with any national directions in relation to urban growth. There are obvious conflicts created by development and existing infrastructure so a clear national level blueprint would be required for managing these conflicts.</p> <p>It is Firstgas view that any direction for urban growth should not compromise the ability for existing infrastructure to be operated, accessed, maintained or be upgraded.</p>

Question	Firstgas response
14	<p>Firstgas supports the inclusion of the provisions to make it more explicit that planning decisions should be co-ordinated and aligned with infrastructure decisions. It is critical that this group is engaged with in planning. For Firstgas this is relevant at the macro and micro level. For example, the ability for new urban areas to connect to gas and where the Gas Transmission Network is within areas identified for growth, how that growth responds to that challenge. Firstgas needs to be included in that conversation to ensure good outcomes are achieved.</p> <p>It is worth noting that First Gas has had numerous occasions where they have worked with developers to ensure a successful outcome to encroachment issues to the benefit of all parties involved, demonstrating that such involvement is not only essential, but with early and collaborative approaches, solutions benefiting all parties can be identified</p>
17	<p>Firstgas is a contributor to work underway on a National Planning Standard for Utilities and the outcomes and directions through that process would need to be made compatible with any national directions in relation to urban growth.</p> <p>There are obvious conflicts created by development and existing infrastructure so a clear national level blueprint would be required for managing these conflicts. It is Firstgas' view that any direction for urban growth should not compromise the ability for existing infrastructure to be operated, accessed, maintained or be upgraded.</p> <p>The Gas Transmission Network, while both regionally and nationally significant, does not have a national policy statement to provide policy backing through plan making and resource consent processes. Therefore, it is often reliant on Section 5 of the RMA in that it generates significant positive well-being effects and provides for people's health and safety. This thrust is also generally a feature in Regional Policy Statements.</p> <p>The risk for Firstgas is that national direction through the NPS-UD or through other urban growth national direction has the potential to 'trump' the Gas Transmission Network in a policy sense. This is particularly relevant through recent caselaw in plan making processes and the determination of resource consent applications. It is critical therefore that potential conflicts of urban growth and existing infrastructure are captured and addressed in the NPS-UD.</p>