

## **Appendix D: Section 32 Evaluation: Addendum**

1. Section 32 of the RMA requires an examination of :
  - a) The extent to which the objectives of the proposal are the most appropriate way to achieve the purpose of the Act; and
  - b) whether the provisions in the proposal are the most appropriate way to achieve the objectives by
    - identifying other reasonably practicable options for achieving the objectives; and
    - assessing the efficiency and effectiveness of the provisions in achieving the objectives.
2. Appropriateness is measured by comparing the relative efficiency and effectiveness of the alternatives.
  - a) Efficiency measures the relative net costs and benefits of implementing the proposed provisions.
  - b) Effectiveness measures to what extent the provisions give effect to the relevant Plan objectives and policies, which in turn give effect to Part 2.

It requires an assessment of the cost and benefits of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions; including the opportunities for economic growth and employment that are anticipated to be provided or reduced.
3. In essence, the key RMA test for the Plan Change is which is the more appropriate outcome for the Site:
  - a) retaining the existing Rural zoning, or
  - b) giving effect to the proposed zoning and rules package as proposed
4. A full s32 assessment is included in Annexure 5 of the Plan Change Application.
5. It is not possible to quantify most of the costs and benefits in changing from the current rural land use to full urban development. The applicant (Merv Todd) estimates that the 14.6ha Kimberley Road frontage site (proposed L1 zoning) returned in the order of \$200/ha/year i.e. \$2960 for the entire 14.6 ha. It carried approximately 6 stock units/ha. On that basis it is a typical, very low productivity dryland farm operation. A decision was made not to join the Central Plains Irrigation scheme because

- a) the soil types did not suit irrigation<sup>1</sup>, and
  - b) it would not have been economic to do so as there was a higher capital cost/ha because of the size of the Site.
6. The balance 45.4 ha property (owned by Reed family) is part of the Central Plains Irrigation Scheme, as part of the larger Reed farm. However, the irrigation has been set up so that this land can be excluded at a future date when zoned for residential purposes, without affecting the overall farm operation. The land is cropped for mix of wheat, barley and peas. The average net return is \$1500/ha i.e. \$68 100 for 45.4 ha. The overall Reed farm is 220 ha, so removal of the 45.4ha from farming will not affect the overall viability of the farm. In any case, there will be a net increase of 15.1 ha in the Reed farm irrigated farmland as a result of the rezoning, for the reasons outlined below.
7. The Todd Kimberley Road property originally comprised appx 45 ha. 25 ha has recently been sold to Matthew Reed, 14.6ha is proposed to be rezoned Living 1 and the balance appx 5.4 ha will contain the Todd dwelling and proposed community wastewater treatment plant to service the 14.6 ha of residential land. The original 45 ha was not large enough to be an economic farm unit.
8. Funds generated from the deferred L1 residential development will enable Matthew Reed to irrigate the extra 25 ha purchased from Merf Ag Services Ltd, and the balance 35 ha of his farm which is not currently irrigated. The Merf land is ex-forestry land so needs appx 15 years 'recovery' time before reaching similar productive potential of neighbouring farmland. It is now approaching appx. 15 years since the forestry trees were logged.
9. So – residential development enabled by the rezoning will result in a net increase in irrigated productive farmland of appx 15.1 ha, and no let loss.
10. The proposal is for a 60ha site, so the scale and intensity of the rural activity is orders of magnitude less than that generated by urban development on the same area. The rural productivity from the site on an annualised basis is significantly less than the purchase of goods and services for the urban development in the subdivision and land development phase, and when taken up by new residents. The loss of earning

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<sup>1</sup> This relates the previous forestry use which has depleted the soils.

potential from the land in its rural state is simply almost unmeasurable for the rural zone as a whole. In contrast the value add from the development for economic activity in Darfield is proportional to the scale of the development (estimated 1145 additional residents<sup>2</sup>) against a small rural town of about 1200 residents. In any case, the rezoning will enable additional balance Reed farmland to be irrigated (including surplus uneconomic farmland recently purchased from Ag Services Ltd). This will more than compensate for the loss of rural production from the land to be rezoned.

11. A May 2019 article by Market Economics examining the relationships of, and drivers for, land value differences rural to urban noted that:

*In Auckland, urban residential land supports 30 to 40 times as many dwellings per hectare as rural residential land, and its value per hectare is correspondingly over 40 times higher than rural lifestyle land, while urban business land supports more than 100 times the economic output per ha of rural production land. Urbanisation also means substantial costs are incurred to enable urban activities, including for infrastructure and land development, for major structural changes in land subdivision and ownership, and for large public and private expenditures. The higher intensity of use possible on urbanised land drives a major shift in property scale from relatively extensive rural and lifestyle activities to intensive urban residential and business activities, financially sustainable – and affordable - on much smaller land footprints.*

<http://www.marketeconomics.co.nz/LiteratureRetrieve.aspx?ID=215288>

12. This summary analysis examines the costs and benefits of the proposal and is to be read together with the s32 evaluation at Annexure 5 in the plan change application.

### Option 1: Status quo: Rural zone

Social Costs	Social Benefits	Effectiveness and Efficiency
Retains an inefficient urban form between existing urban area and new developments.	Further growth at Darfield is supported by the Darfield community as signalled in the Malvern Area Plan which was subject to a public consultation process under the Local Government Act. The Site (Preferred Area 7) is the most efficient & effective preferred	<b>Low to moderate</b> Rural zone ineffective as Merf Ag Services site (proposed L1 zone) uneconomic to farm so rural outcomes not achieved.  Not an effective option for Merf Ag Services who sees no future in rural uses on the Site, or for
Does not deliver of Selwyn District Council growth strategy outcomes		
Residential land supply diminished with possible flow on effects to		

<sup>2</sup> Based on 2.3 persons per household & 110 person retirement village.

<p>land prices/house prices affecting affordability in Darfield.</p> <p>Lost opportunity to meet unmet demand for full service retirement village at Darfield, in the most appropriate 'greenfield' site, close to and within walking distance to the town centre. This will enable Darfield residents to 'age in place' and for farmers to retire locally and remain 'connected' to the surrounding farming community.</p> <p>Lost opportunity to provide for some small lot medium density housing at Darfield in an ideal location close to the town centre, with developer providing required community wastewater treatment plant. To date lack of reticulated wastewater at Darfield has precluded this housing option &amp; there is no medium density housing, with adverse housing supply and affordability flow on effects.</p> <p>Potential for long term use of the site for residential development as envisaged by the Malvern Area Plan may be lost by permitted rural activity investment, permitted rural subdivision into smaller blocks or ad hoc consents for development. Future urban development will be harder to achieve with multiple land owners.</p>	<p>future development area. It is closest to the town centre, and 'fills in' the inner portion of a gap in the otherwise concentric urban form of Darfield.</p> <p>Helps retain an extensive rural edge to the township which has some value for the community, including those currently living at the rural/urban boundary (NB Kimberley Road L2 zoned dwellings do not generally face eastwards towards the Site).</p> <p>Loss of farming returns from land to be rezoned, which are marginal in the case of the proposed L1 block (14.6 ha).</p> <p>Current benign land use and intensity of land use (cropping and low intensity grazing) for Site as a whole minimises effects of rural activity.</p>	<p>Matthew Reed who intends to utilise funds from residential development of rezoned land to further develop the balance farm including farmland recently purchased from Merf Ag Services.</p> <p>The present benign land uses effectively maintain a level of amenity and quality of environment for adjoining community, but that is at the discretion of the landowners. Not a long term viable option for the proposed L1 zone (Merf Ag Services land), and only for the proposed L1 zone (Matthew Reed) if the funds generated from rezoning can be used for further farm development including further irrigation investment.</p>
<b>Cultural costs</b>	<b>Cultural benefits</b>	<b>Effectiveness and Efficiency</b>
None - no effect on cultural sites of significance – there are none at the Site.	None: - no effect on cultural sites of significance – there are none at the Site.	<b>Neutral</b>

Environmental costs	Environmental Benefits	Effectiveness and Efficiency
<p>Land can potentially be used for a range of permitted rural activities that could create reverse sensitivity effects on existing community.</p> <p>The historical farming activity has potentially resulted in more pollution of groundwater than proposed urban development. Farming intensification could increase the pollution risk but is restricted by ECAN rules. This in itself limits the productive potential of the land for farming. The nitrogen discharge rate for the community wastewater treatment area will be 14 kg N/ha/yr, less than the permitted baseline for farming to be met by 2022 (15 kg/ha/year).<sup>3</sup></p>	<p>Retains current open space character. However, this is not generally visible to wider community due to existing mature pine shelterbelt along Kimberley Road. The open outlook from existing residential properties north of Hordon Street will be lost when the adjoining land, already zoned L1 but not yet developed, (and included on the PC63 ODP) is developed i.e. this will happen regardless of PC63.</p> <p>Current low intensity, cropping and grazing land use minimises effects on receiving environment such as air/water/soils.</p> <p>Site is just paddocks with no built forms/structures to affect visual/landscape amenity.</p>	<p><b>Low</b></p> <p>Not necessarily effective for existing community. May not retain open outlook/rural amenity they desire if permitted rural activities are undertaken on site including farm buildings, shelterbelts and rural land uses.</p> <p>Not effective land use to provide for growth and development of Darfield as will push development pressure elsewhere around the town. All alternative preferred development areas are not as desirable, as they are further from the town centre.</p>
Wider economic costs on the community	Wider economic benefits on the community	Effectiveness and Efficiency
<p>Could prove a barrier to options for the Council around servicing of existing development for stormwater and wastewater leading to greater per unit costs of reticulation for existing community.</p> <p>Locks in inefficient urban form being spread out and not consolidated on town centre/commercial nodes.</p> <p>Lost opportunity for net economic gain to the local farming economy as well as the construction and wider Darfield and District economy.</p>	<p>Retains low level agricultural potential for the future, but net agricultural productivity for Sites as a whole will be less than if land is rezoned.</p>	<p><b>Low</b></p> <p>Removes a significant potential contributor to the costs of building reticulated sewerage systems.</p> <p>Not effective in contributing to growth options for growing Selwyn population.</p> <p>Retaining the existing rural zoning will contribute less to the local farming, construction and wider Darfield and District economy than the proposed rezoning.</p>

<sup>3</sup> See Lowe Environmental Impact Resource Consent Application for Discharge of Treated Effluent to Land and Air for Merf Ag Services Ltd – Assessment of Environmental Effects

## Option 2: Plan Change

Social Costs	Social Benefits	Effectiveness and Efficiency
<p>Costs and risks to applicants of plan change process.</p>	<p>Enables community and council participation and having views heard on change in land use.</p> <p>Provides housing choice including unmet need for affordable medium density housing, currently not provided for at all at Darfield, and not feasible until a Darfield wide reticulated wastewater scheme is provided (not planned or budgetted for at this stage)..</p> <p>Meets a gap for a demographic favouring serviced retirement village type options. Retirement village enables residents to 'age in place' contributing to a more balanced mixed age community.</p> <p>Provides an option for long term growth of Darfield consistent with agreed strategic directions.</p> <p>Provides for high quality housing and a retirement village in a desirable location close the town centre which meets unmet demand. An ample supply of land for housing assists housing affordability by limiting increased pricing due to limited supply.</p>	<p><b>High</b></p> <p>Most effective and efficient option for applicants' objectives for the Site.</p> <p>Submissions and hearings process enables the Plan change provisions to be further refined as appropriate.</p> <p>Effective and efficient in contributing to Darfield growth with many costs and risks carried by private applicant.</p> <p>Effective – provides for high density residential development (retirement village) in close proximity to the Darfield town centre &amp; current and future urban development needs.</p>
Cultural costs	Cultural benefits	Effectiveness and Efficiency
<p>None: as for Option 1</p> <p>The proposal to treat effluent to a high quality and apply to land is an approach consistent with Maori resource management and is the preferred approach. It</p>	<p>None: as for Option 1</p>	<p><b>Neutral</b></p>

minimises the impact of pollutants on soils and receiving groundwater.		
<b>Environmental costs</b>	<b>Environmental Benefits</b>	<b>Effectiveness and Efficiency</b>
<p>Loss of existing rural open space character of Site.</p> <p>Environmental effects of providing urban services, including community wastewater treatment and disposal system, are less than minor<sup>4</sup></p>	<p>Consistent with Malvern Area Plan recommendations.</p> <p>Development will be high quality, in accordance with an ODP, which ensures a subdivision layout which maximises connectivity with the existing town centre and community facilities by multiple transport modes including pedestrian and cycle routes; and mitigates any potential adverse environmental effects including potential boundary effects with neighbours e.g. larger lots at rural/rural residential boundary.</p>	<p><b>High</b></p> <p>Effective and efficient – continued rural zoning not consistent with achieving a consolidated urban form and rural activities are not viable for proposed L1 land (14.6 ha).</p> <p>The Plan Change provisions will ensure delivery of a high amenity urban environment, resulting in less than minor adverse environmental effects.</p>
<b>Wider economic costs on community</b>	<b>Wider economic benefits on community</b>	<b>Effectiveness and Efficiency</b>
<p>None – developer will fund development costs arising from rezoning and cost of private plan change process including Council hearing costs</p>	<p>Positive impact for local employment and businesses during development phase and on an ongoing basis - new residents will support local services and facilities.</p> <p>Rezoning will result in net economic gain for farming, construction and the local Darfield and wider Selwyn District economies</p>	<p><b>High</b></p> <p>Effective – enables people and communities of District to meet their economic needs by providing additional local employment and business opportunities.</p> <p>Efficient - developer provides privately funded sewerage solution to a high standard while contributing to costs of reticulated upgrades for water supply and other services e.g. roading upgrades. Maximises economic potential of land with less than minor (if any) adverse social and environmental effects.</p>

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<sup>4</sup> See Lowe Environmental Impact Resource Consent Application for Discharge of Treated Effluent to Land and Air for Merf Ag Services Ltd – Assessment of Environmental Effects