

Before the Selwyn District Council

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*under:* the Resource Management Act 1991

*in the matter of:* Proposed Private Plan Change 80 to the Operative District Plan

*and:* **Two Chain Road Limited**  
*Applicant*

Closing legal submissions on behalf of the applicant

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Dated: 1 December 2022

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Reference: JM Appleyard (jo.appleyard@chapmantripp.com)  
LMN Forrester (lucy.forrester@chapmantripp.com)

chapmantripp.com  
T +64 4 499 5999  
F +64 4 472 7111

PO Box 993  
Wellington 6140  
New Zealand

Auckland  
Wellington  
Christchurch



## **CLOSING LEGAL SUBMISSIONS ON BEHALF OF THE APPLICANT**

### **INTRODUCTION**

- 1 These closing legal submissions are made on behalf of the Applicant, Two Chain Road Limited, in relation to a private plan change 80 (*PC80*) to the Selwyn District Council (the *Council*) to change the Operative Selwyn District Plan (the *District Plan*) to rezone approximately 98 hectares of rural land in Rolleston to Business 2A Zone (being equivalent to an industrial zoning).
- 2 The final proposed rules package (tracked showing changes that have been made during the course of the hearing, and clean), including the Outline Development Plan (*ODP*), are attached as **Appendix 1**.
- 3 As requested in the Commissioner's Minute 4, these legal submissions consider the following issues:
  - 3.1 The National Policy Statement on Highly Productive Soils (*NPS-HPL*); and
  - 3.2 Transfer of water consents in light of the Court of Appeal's recent decision in *Aotearoa Water Action v Canterbury Regional Council* (the *AWA Case*).<sup>1</sup>
- 4 Counsel for the Applicant does not consider there are any other legal issues that have not been addressed already that require comment in these submissions.

### **THE NATIONAL POLICY STATEMENT ON HIGHLY PRODUCTIVE LAND 2022**

- 5 The NPS-HPL came into force on 17 October 2022. It generally provides a framework for the avoidance of urban development on land considered 'highly productive', with some limited exceptions.
- 6 Regional Councils are required to map highly productive lands within their regions no later than 3 years after the commencement date of the NPS-HPL.<sup>2</sup>

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<sup>1</sup> *Aotearoa Water Action Incorporated v Canterbury Regional Council & Ors* [2022] NZCA 325.

<sup>2</sup> NPS-HPL, clauses 3.4 and 3.5.

- 7 In the meantime, land is considered to be highly productive if at the commencement date of the NPS-HPL:<sup>3</sup>
  - 7.1 it is:
    - (a) zoned general rural or rural production; and
    - (b) LUC 1, 2, or 3 land; but
  - 7.2 is not:
    - (a) identified for future urban development; or
    - (b) subject to a Council initiated, or an adopted, notified plan change to rezone it from general rural or rural production to urban or rural lifestyle.
- 8 At the commencement date, the PC80 site:
  - 8.1 was zoned 'inner plains', which is a rural zoning (noting that the inner plains zone was notified as general rural zone under the proposed plan process); and
  - 8.2 comprised approximately 18 ha of LUC 3 class soils (*LUC 3 Land*) on the eastern edge of the site; and
  - 8.3 was not identified for future urban development; and
  - 8.4 was not subject to a Council initiated or adopted notified plan change to rezone.
- 9 The LUC 3 Land within the site is therefore 'highly productive land' for the purposes of the NPS-HPL.
- 10 It is clear from the objectives and policies of the NPS-HPL that it does not seek to provide absolute protection of highly productive land, nor does it specify that there should be no loss of highly productive land within a region or district.<sup>4</sup>
- 11 We now move through the NPS-HPL provisions we consider apply to the LUC 3 Land within the site.

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<sup>3</sup> NPS-HPL, clause 3.5(7).

<sup>4</sup> NPS-HPL, s 32 evaluation report, at p 6.

**Clause 3.6: Restricting urban rezoning of highly productive land**

12 PC80 proposes to rezone the LUC 3 land urban (noting that 'urban' is defined in the NPS-HPL as including all industrial zones<sup>5</sup>). Clause 3.6 therefore applies to PC80.

13 Clause 3.6 provides a pathway for the urban rezoning of highly productive land, where:<sup>6</sup>

- (a) the rezoning is required to provide sufficient development capacity to meet demand for business land to give effect to the NPS-UD; **and**
- (b) there are no other reasonably practicable and feasible options for providing at least sufficient development capacity within the same locality and market while achieving a well-functioning urban environment; **and**
- (c) the environmental, social, cultural, and economic benefits of rezoning outweigh the long-term costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.

14 We step through each of these subclauses below.

***(a) Is the rezoning required to provide sufficient development capacity to meet demand for business land to give effect to the NPS-UD?***

15 The NPS-UD requires Councils to, at all times, provide at least sufficient development capacity to meet expected demand for business land over the short term, medium term, and long term.<sup>7</sup>

16 In order to be 'sufficient' to meet the expected demand for business land, the development capacity provided by Councils must be:<sup>8</sup>

16.1 plan-enabled, which means:<sup>9</sup>

- (a) in relation to the short term, it is on land zoned for business use in an operative district plan;

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<sup>5</sup> NPS-HPL, clause 1.3(1).

<sup>6</sup> NPS-HPL, clause 3.6(1).

<sup>7</sup> NPS-UD, Policy 2.

<sup>8</sup> NPS-UD, clause 3.3(2).

<sup>9</sup> NPS-UD, clause 3.4(1).



- (b) in relation to the medium term, either (a) applies, or it is on land that is zoned for business use in a proposed district plan;
- (c) in relation to the long term, either (b) applies, or it is on land identified by the local authority for future urban use or urban intensification in a future development strategy (or other relevant plan or strategy).

16.2 infrastructure-ready, which means:<sup>10</sup>

- (a) in relation to the short term, there is adequate existing development infrastructure to support the development of the land;
- (b) in relation to the medium term, either (a) applies, or funding for adequate development infrastructure to support development of the land is identified in a long-term plan;
- (c) in relation to the long term, either (b) applies, or the development infrastructure to support the development capacity is identified in the local authority's infrastructure strategy (as required as part of its long-term plan).

16.3 suitable to meet the demands of different business sectors including for commercial, retail, or industrial uses (particularly with regard to location and site size);<sup>11</sup> and

16.4 meet the expected demand plus the appropriate competitiveness margin.<sup>12</sup>

- 17 **Ms Hampson's** evidence demonstrates that the Council's own demand modelling for industrial land shows insufficient industrial capacity to meet long term demand. **Mr Foy** for the Council agreed with **Ms Hampson's** conclusions.
- 18 As such, the Council is therefore not complying with the requirement in the NPS-UD to provide at least sufficient development capacity for business land into the long term.

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<sup>10</sup> NPS-UD, clause 3.4(2).

<sup>11</sup> NPS-UD, clause 3.28 and 3.29.

<sup>12</sup> Being 20% for the short and medium term, and 15% for the long term; NPS-UD, clause 3.22.

- 19 The PC80 rezoning is therefore required by Council in order for it to provide sufficient development capacity to meet business demand to give effect to the NPS-UD.

***(b) Are there other reasonably practicable and feasible options for providing at least sufficient development capacity within the same locality and market while achieving a well-functioning urban environment?***

- 20 The NPS-HPL goes on to elaborate that development capacity is 'within the same locality and market' if it:<sup>13</sup>
- 20.1 is in or close to a location where a demand for additional capacity has been identified through a Housing and Business Assessment (*HBA*) (or some equivalent document) in accordance with the NPS-UD; and
  - 20.2 is for a market for the types of business land that is in demand (as determined by the HBA in accordance with the NPS-UD).
- 21 The most recent business capacity assessment undertaken by the Greater Christchurch Partnership was the Business Development Capacity Assessment dated March 2018 (*BDCA 2018*). There has been no further publication of sufficiency results by Council.<sup>14</sup>
- 22 As demonstrated by the evidence of **Ms Hampson**, the BDCA 2018 is out of date and is likely to have under-estimated long-term demand for industrial land in Rolleston, and therefore overstated long-term sufficiency of industrial land. The Council subsequently provided us with a memorandum prepared by Formative (and attached at **Appendix 2** in what we understand is still draft form, noting **Mr Foy** stated at the hearing that this work was ongoing) which confirmed their view that capacity for industrial land in the Selwyn District into the long term is not being met.
- 23 We further note that the BDCA 2018 was prepared under the previous National Policy Statement on Urban Development Capacity 2016. Therefore, the BDCA 2018 is not a housing and business assessment prepared for the purposes of identifying capacity in accordance with the NPS-UD, as it was prepared prior to that NPS even coming into existence.
- 24 Where an HBA showing demand for a particular locality/market has not been prepared to identify capacity as expected by the NPS-UD,

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<sup>13</sup> NPS-HPL, clause 3.6(3).

<sup>14</sup> Evidence of **Ms Hampson**, at [14].

it is necessary to look to other information and evidence to demonstrate whether:

- 24.1 the location is close to a location where a demand for additional capacity has been identified; and
  - 24.2 the market is for a market for the types of business land that is in demand.
- 25 In terms of the location, this question goes to what is defined as the 'urban environment' under the NPS-UD. An 'urban environment' is defined so broadly in the NPS-UD that it can encompass a number of varying and overlapping urban environments.<sup>15</sup> For example, in this context, the urban environments of Rolleston, Selwyn, and Greater Christchurch will be of differing degrees of relevance.
- 26 Here, the urban environment of Rolleston is the most relevant, as Rolleston is a key activity centre, the main industrial hub for Selwyn, and is serviced by two key rail lines. An industrial operator looking to establish in Rolleston is unlikely to look much further. To look further to Selwyn or Greater Christchurch for other business capacity options would not be appropriate as the industrial zones within these urban environments are clearly not within the same "locality" as Rolleston.
- 27 In terms of "the market", the evidence of **Ms Hampson, Mr O'Styke, and Mr Staite** all demonstrate that there is a specific market for this particular type of business land, particularly in this location.
- 28 We turn to whether there are other reasonably practicable and feasible options for providing the same development capacity within the same locality and market (as discussed above) while achieving a well-functioning urban environment.
- 29 In terms of what is to be considered 'reasonably practicable and feasible', the s 32 evaluation report for the NPS-HPL<sup>16</sup> (the relevant parts of which are attached at **Appendix 3**) is of some assistance in that it recognises:<sup>17</sup>

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<sup>15</sup> NPS-UD, clause 1.4(a): "*urban environment means any area of land (regardless of size, and irrespective of local authority or statistical boundaries) that:*

*(a) is, or is intended to be, predominantly urban in character; and*

*(b) is, or is intended to be, part of a housing and labour market of at least 10,000 people"*

<sup>16</sup> <https://environment.govt.nz/assets/publications/NPS-for-Highly-Productive-Land-Section-32-Evaluation-Report.pdf>

<sup>17</sup> NPS-HPL, s 32 evaluation report, at p 75-76.

29.1 Case law on the term 'reasonably practicable' has emphasised this is not an absolute, but rather an objective test that must be considered in an overall weighing exercise.<sup>18</sup>

29.2 While clause 3.6(2) requires the consideration of whether the following might be reasonably practicable options:

- (a) greater intensification in existing urban areas; and
- (b) rezoning of land this is not highly productive land as urban; and
- (c) rezoning different highly productive land that has a relatively lower productive capacity;

these three options can be discounted if they are not 'feasible' and/or do not achieve a well-functioning urban environment. Just because one of the options is available does not mean that the proposed urban rezoning cannot proceed.

29.3 Well-planned urban growth on the urban edge and on highly productive land will generally be preferred over sporadic urban development on non-highly productive land away from urban centres with less cohesion, accessibility, diversity and so on.

30 We attach at **Appendix 4**, the map of the various constraints applying to development in Rolleston that was presented during the hearing. This demonstrates that there are no other reasonably practicable and feasible options for providing further industrial land within the Rolleston locality, noting that:

30.1 It would not result in a well-functioning urban environment to rezone any land south of State Highway 1 (SH1) industrial. This highway, along with the rail corridors provides a 'hard' urban boundary separating urban residential, commercial and community growth to the south of SH1, and industrial to the north.<sup>19</sup> For many reasons, it simply would not be appropriate to rezone any land south of SH1 as industrial.

30.2 To the east and north of the existing IZone and Midland Port are large continuous areas of LUC classed 2 and 3 soils. These are likely to be more productive than the LUC 3 Land in

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<sup>18</sup> *Royal Forest and Bird Society of New Zealand Incorporated v Whakatane District Council* [2017] NZEnvC 51.

<sup>19</sup> Evidence of **Ms Lauenstein**, at [24].

question, given the size of those sites, and the constraints that exist for the PC80 site (as set out in more detail below).

- 30.3 The PC80 site is located west of the IZone. There is other land west of the IZone which could well be utilised for industrial zoning (which is not highly productive land, or at least contains less highly productive land than the LUC 3 Land). However, using only that land would not result in a well-functioning urban environment as it would result in a 'gap' or 'pocket' between SH1 and any proposed industrial zone of rural zoned land surrounded on three sides by urban zoning.
- 30.4 While land north of SH1 has been identified in the 'urban growth overlay' of the proposed plan as land that could in the future provide business capacity, we note that the evidence of **Mr Foy** at the hearing was that even if the land in this overlay was zoned, it is expected that Rolleston will still have an undersupply of industrial land in the long term. And that long term supply would be met with the rezoning of PC80.<sup>20</sup>

***(c) Do the costs outweigh the benefits?***

- 31 The benefits of PC80 from an environmental, social, cultural, and economic have been set out extensively in the application and the evidence on behalf of the Applicant.
- 32 In terms of the environmental, social, cultural, and economic costs of the rezoning associated with the loss of highly productive land for land-based primary production, the evidence of **Mr Mthamo**, **Mr Turner**, and **Mr Everest** demonstrates that the costs of the loss of 18 hectares of land would not be significant as the LUC 3 Land within the PC80 site is subject to a number of long-term constraints that means it could not be used for economically viable land-based primary production for at least 30 years (discussed in more detail below).
- 33 The benefits therefore outweigh the costs, and substantially so.

**Clause 3.10: Exemption for highly productive land subject to permanent or long-term constraints**

- 34 In coming to the conclusions above on clause 3.6, there is helpful guidance in the exemption in clause 3.10 to inform the clause 3.6 analysis as to the factors to be considered in deciding whether land ought to be rezoned. This is particularly around what can be considered as other reasonably feasible options, consideration of

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<sup>20</sup> Evidence of **Mr Foy**, at [15(e)].

land that has relatively lower productive capacity, as well as with regard to the costs/benefits analysis.

- 35 Clause 3.10 provides that Council's must only allow highly productive land to be subdivided, used, or developed for non-primary production activities if satisfied the following criteria apply:
- (a) there are permanent or long-term constraints on the land that mean the use of the highly productive land for land-based primary production is not able to be economically viable for at least 30 years; and
  - (b) the subdivision, use, or development:
    - (i) avoids any significant loss (either individually or cumulatively) of productive capacity of highly productive land in the district; and
    - (ii) avoids fragmentation of large and geographically cohesive areas of highly productive land; and
    - (iii) avoids if possible, or otherwise mitigates, any potential reverse sensitivity effects on surrounding land-based primary production from the subdivision, use, or development; and
  - (c) the environmental, social, cultural, and economic benefits of rezoning outweigh the long-term costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.
- 36 We have described the costs and benefits and their proportionate weight at paragraphs 31-33 above.
- 37 With respect to paragraph 35(b) above, the evidence of **Mr Mthamo** and **Mr Everest** demonstrates that PC80 will avoid significant loss of productive capacity in the district (including cumulative), avoid fragmentation, and avoid reverse sensitivity effects on surrounding land-based primary production.
- 38 We go on to consider the permanent or long-term constraints, and economic viability of the site.
- Permanent or long-term constraints, and economic viability of the site***
- 39 The NPS-HPL provides that in order to satisfy a territorial authority of the requirement in paragraph 35(a) above, an applicant must demonstrate that the permanent or long-term constraints on economic viability cannot be addressed through any reasonably

practicable options<sup>21</sup> that would retain the productive capacity of the highly productive land, by evaluating options such as (without limitation):<sup>22</sup>

- 39.1 alternate forms of land-based primary production;
- 39.2 improved land-management strategies;
- 39.3 alternative production strategies;
- 39.4 water efficiency or storage methods;
- 39.5 reallocation or transfer of water and nutrient allocations;
- 39.6 boundary adjustments (including amalgamations); and
- 39.7 lease arrangements.

- 40 The evidence of **Mr Mthamo** and **Mr Everest** both demonstrate that there are two key long term (and most likely permanent) constraints that apply to the land:

*Soil moisture deficits and irrigation availability*

- 40.1 **Mr Mthamo** in his evidence has set out the soil moisture deficits for the site and has estimated the likely volumes of irrigation that would be required.
- 40.2 Both **Mr Mthamo** and **Mr Everest** note that the Selwyn-Waimakariri Groundwater Zone is over allocated, making any new applications to take groundwater for irrigation prohibited activities under the Canterbury Land and Water Regional Plan (CLWRP). Further, to obtain a consent to transfer existing irrigation water rights to another location would be difficult and would require the acquisition of a consent that is double the annual volume required for the irrigation of the site.<sup>23</sup>
- 40.3 **Mr Everest** suggests the only way it might be possible to obtain irrigation water is from the Central Plains Water irrigation scheme (CPW). He notes based on his experience this option would only be available if the whole of the PC80 site was proposed to be irrigated (i.e. not just the 18 hectares of LUC 3 Land).<sup>24</sup>

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<sup>21</sup> Refer to paragraph 29 above also for guidance on what is 'reasonably practicable'.

<sup>22</sup> NPS-HPL, clause 3.10(2).

<sup>23</sup> Evidence of **Mr Mthamo**, at [57.2].

<sup>24</sup> Evidence of **Mr Everest**, at [14].

40.4 Neither **Mr Mthamo** nor **Mr Everest** consider that this constraint is likely to change over the next 30 years, particularly given:

- (a) climate change induced increases in irrigation water demand; and
- (b) the increasing shortages in irrigation consents available for transfer due to the demand for these and the fact that no new consents for irrigation purposes are being granted within the zone.

*Nutrient discharge constraints*

40.5 The second constraint identified by both **Mr Mthamo** and **Mr Everest** relates to the restrictions in the CLWRP in relation to nutrient discharges.

40.6 Selwyn-Te Waihora catchment is zoned as over allocated with respect to nutrient losses. The CLWRP requires that baseline nutrient budgets be established based on the farming activities of a particular site during the period 2009-2013. Future nitrogen leaching rates under the CLWRP are required to not exceed the baseline rates and where that baseline exceeds 15 kg N/ha/year further reductions are required.

40.7 **Mr Mthamo** goes on to demonstrate how reductions in nitrogen application reduces crop yield somewhat significantly, and therefore revenue.

40.8 For the blocks making up the PC80 site, productivity has always been low. Therefore, the baseline nitrogen leaching rates are also very low. This in turn restricts the productivity and yield of the PC80 site. **Mr Everest** also states that higher LUC classified soils require more nutrients to produce the same output as lower (i.e. better) classified soils. And that by allowing agricultural intensification of lower quality classes of land over the other, more productive classes, has the effect of constraining productivity growth more generally for the entire catchment.<sup>25</sup>

40.9 **Mr Everest** notes that CPW may have nutrient load available, but that this is allocated on a case by case basis (with dryland conversion generally granted a relatively conservative nutrient allocation). There is significant uncertainty as to whether this would ever be allocated to this particular site.

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<sup>25</sup> Evidence of **Mr Everest**, at [25].



- 40.10 Neither **Mr Mthamo** nor **Mr Everest** consider that this constraint is likely to change over the next 30 years, particularly given the current observable issues with nutrient concentrations in groundwater are primarily from activities dating between the 1970s and early 2000s, with the effects of the more recent intensification (1980s to present) manifesting over the next several decades such that, if anything, limits on nutrient use and allocation are likely to become stricter in the future.
- 41 Other constraints identified by **Mr Mthamo** and **Mr Everest** as either permanent or long-term are reverse sensitivity effects and fragmentation. Both of which are themselves recognised as potential constraints on land-based primary production in the NPS-HPL itself.
- 42 With respect to fragmentation, it is unlikely that ECan would even map the 18 hectares of LUC 3 Land as highly productive when it comes to undertaking the mapping contemplated under the NPS-HPL because it does not form part of a larger and geographically cohesive area and is separated from other larger and cohesive highly productive land by both natural and non-natural boundaries.<sup>26</sup>
- 43 We now move onto demonstrate that these permanent or long-term constraints on the land mean that land-based primary production on the LUC 3 Land would not be economically viable for at least 30 years. This is covered by the evidence of **Mr Everest**. In his view, 'economic viability' for a farming business must be able to:
- 43.1 remunerate the owners of the land (if they are owner operators) equivalent to the weighted average salary of employees in the agricultural sector, scaled pro rata based on the amount of time required to run the "farm".<sup>27</sup>; and
- 43.2 generate a Return on Capital (RoC) acceptable for the class of country. On flat land in Canterbury, RoC should be at least 4.0%.
- 44 **Mr Everest** considers a number of different farm systems that might establish on the site and has prepared financial budgets for these.<sup>28</sup> This is done on the (uncertain) assumption that CPW irrigation water could be made available, and therefore that the

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<sup>26</sup> NPS-HPL, cl 3.4.

<sup>27</sup> As per the evidence of **Mr Everest** the average annual remuneration for agricultural employees in the 2022 Federated Farmers – Rabobank Farm Remuneration Report is \$67,567.

<sup>28</sup> Evidence of **Mr Everest** at [31] and summary of evidence of **Mr Everest**: irrigated livestock and arable; irrigated apples; irrigated grapes, and dryland livestock and arable.

entire PC80 site is being farmed. These systems were chosen so as to demonstrate the most likely profitable systems that could feasibly establish on the site (i.e. based on what might be allowed given the expected nutrient budgets).

- 45 **Mr Everest** found (noting his assessment was refined in his summary) that while some of the options investigated would remunerate the owners above the required threshold, none of the options generate a high enough RoC to be economically viable. In coming to this conclusion, **Mr Everest** has considered whether economic viability could be addressed through the reasonably practicable options listed in paragraph 39 above.

#### **Conclusion on NPS-HPL**

- 46 In summary, the LUC 3 Land included in PC80 is suitable for rezoning to urban under the NPS-HPL. Clause 3.6 NPS-HPL provides an avenue for the land to be rezoned in order to provide sufficient development capacity while achieving a well-functioning urban environment.
- 47 Despite this, the Commissioner in Minute 4 has requested an alternative ODP excluding the LUC 3 Land should he be of the mind to exclude that from the grant of the application. This is attached at **Appendix 5**.
- 48 We note the evidence of **Mr Compton-Moen** notes on this point that while the exclusion of the land is not ideal it would not render the industrial zoning across the remainder of the site inappropriate from an urban form and landscape perspective, and physical connectivity can be retained regardless.

#### **TRANSFER OF WATER CONSENTS IN LIGHT OF THE COURT OF APPEAL'S RECENT DECISION IN THE AWA CASE**

- 49 The Commissioner has also requested in his Minute 4 that we address the issue of the transfer of the water consent in light of the Court of Appeal's recent AWA Case.
- 50 We understand the Commissioner is contemplating whether the Applicant's proposal to supply water to the PC80 land through the transfer of water from irrigation consents<sup>29</sup> (the *Irrigation Consents*) can be achieved following the outcomes of the AWA Case.
- 51 The current PC80 situation can easily be distinguished from the AWA Case which concerned a judicial review of Environment Canterbury's decision to grant a new use for water takes for industrial purposes

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<sup>29</sup> As detailed in the evidence of **Mr Mthamo** and **Mr McLeod**.

to enable the water to be used for water bottling in the Christchurch-West Melton groundwater allocation zone.

52 The Court of Appeal held that:<sup>30</sup>

52.1 The RMA does not prevent the Council from granting a separate consent for a use and a separate consent for a take. Whether or not that is possible, however, will depend on the terms of the regional plan and the controls it contains in relation to water.

52.2 Where the regional plan uses the expression “take or use” of water, then the plan contemplates that there might be an activity involving one, or the other, or both. But where the expression “take and use” of water is used, the intent is that the activity will involve both. They cannot be uncoupled.

52.3 In the AWA Case, the relevant rule used the expression “take and use” and therefore Environment Canterbury did not lawfully grant the new use as it was not entitled to consider the use independent from the take.

53 We note that the Applicant for PC80 would not be seeking to change the Irrigation Consents to allow for a new and different use. Instead, and unlike in the AWA Case, it is able to utilise rules specific to the Selwyn Te Waihora sub-region in the CLWRP that specifically contemplate a change of use as part of a transfer of water permits. Notably, there were no transfers of consent at issue in the AWA Case, rather the issues related to a new use without applying for a new take.

54 The new use of the Irrigation Consents water will be for “Community Water Supply” which is defined in the CLWRP as meaning:

*water taken primarily for community drinking-water supply, and includes that also used for institutional, industrial, processing, or stockwater purposes or amenity irrigation use and fire-fighting activities.*

[emphasis added]

55 In order to authorise the transfer, the Applicant will need to make an application to Environment Canterbury under Rule 11.5.38 of the CWLRP which reads:

*The temporary or permanent transfer, in whole or in part, (other than to the new owner of the site to which the water*

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<sup>30</sup> *Aotearoa Water Action Incorporated v Canterbury Regional Council & Ors* [2022] NZCA 325 at [113].

*relates and where the location of the take and use of water does not change) of a water permit to take or use surface of groundwater within the Selwyn Te Waihora sub-region, is to be considered as if it is a restricted discretionary activity, provided the following conditions are met: [...]*

[emphasis added]

- 56 Should those conditions in Rule 11.5.38 not be met, then consent will be required under Rule 11.5.40 of the CWLRP:

*Despite Rule 11.5.38, the permanent transfer, in whole or in part, (other than to the new owner of the site to which the water relates and where the location of the take and use of water does not change) of a water permit to take or use surface water or ground water in the Selwyn Te Waihora sub-region, is to be considered a discretionary activity provided the following conditions are met:*

1. *The transferred water is used, or will following transfer be used for community water supply; or [...]*

[emphasis added]

- 57 Unlike the AWA Case, the wording of these particular rules refers to the “take or use” of water (as opposed to the “take and use”). The drafting of rules 11.5.38 and 11.5.40 therefore allow applications to transfer the use of a water permit independently from applications to transfer the take for the purposes of community water supply. There is no prohibition on such an application. This interpretation is consistent with the Court of Appeal’s decision in AWA Case. There is no reason, in the circumstances of PC80, to treat an application for transfer of the use as necessarily being combined with an application for transfer of the take.
- 58 However the application to transfer the water permit is ultimately made by the Applicant, there is nothing in the CLWRP that would prevent such an application being made or granted. While the groundwater allocation zone might be over allocated, the consent sought would not be for a new take which is a prohibited activity.
- 59 As such, we do not consider the AWA Case will have any impact on the Applicant’s ability to supply water to the PC80 site.

- 60 We note that the AWA Case has just been subject to a granted leave application to appeal to the Supreme Court<sup>31</sup> and therefore the ultimate outcome of that case is still somewhat uncertain.
- 61 Even if we are wrong on the above, we note that the Applicant could in any case seek to purchase and transfer other industrial water takes to utilise for the site. The proposed rules package includes Rule 24.1.3.x(b) which ensures water is made available prior to any subdivision of the site:

*"no subdivision of land shall take place until a potable water supply is available which is capable of servicing any lots within the subdivision."*

### **CONCLUSION**

- 62 We do not consider there are any matters remaining that would prevent the Commissioner from granting this plan change on its merits. PC80 is the most appropriate way to achieve the purpose of the RMA.

Dated: 1 December 2022




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Jo Appleyard / Lucy Forrester  
Counsel for Two Chain Road Limited

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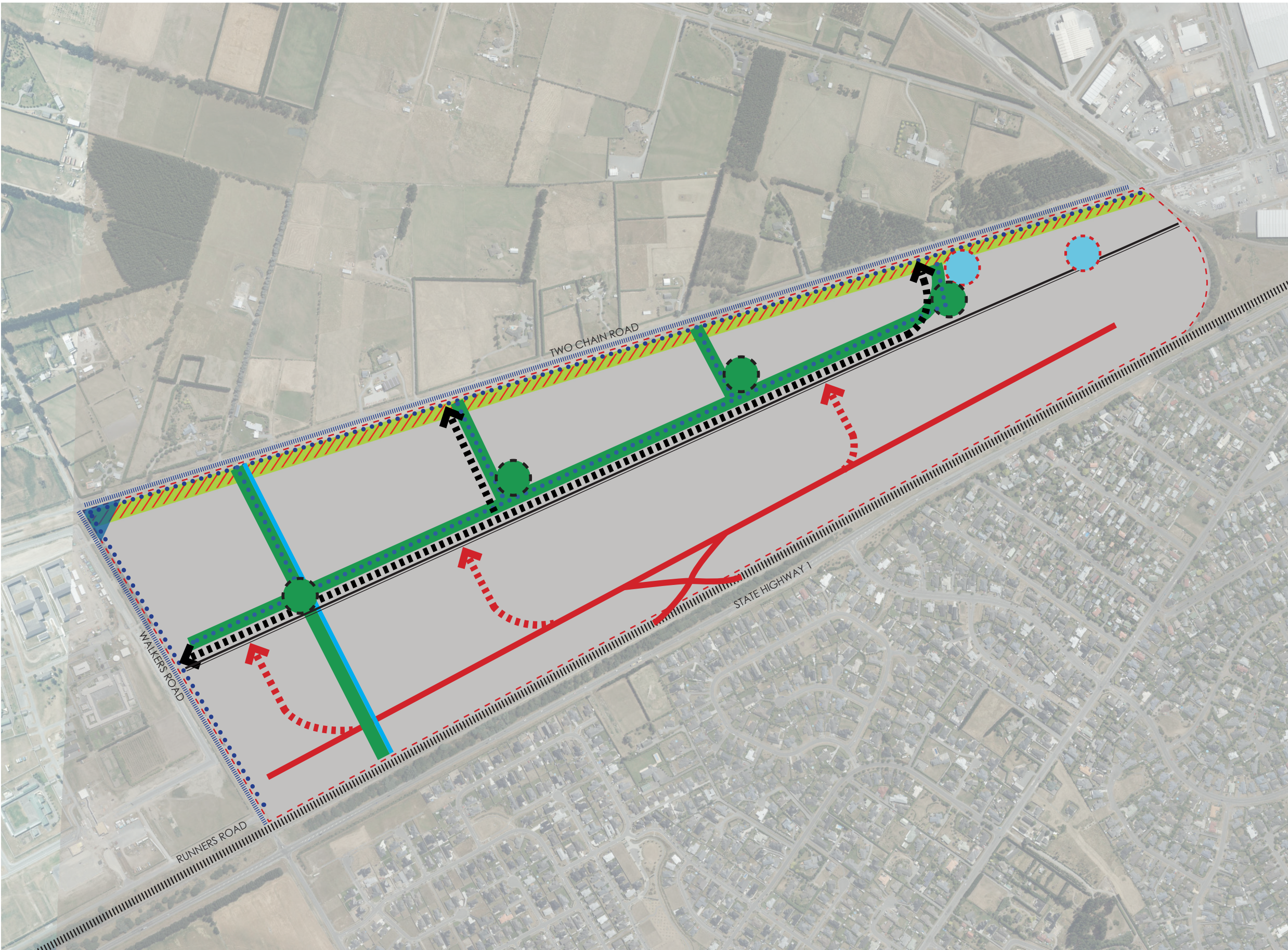
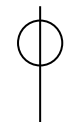
<sup>31</sup> *Cloud Ocean Water Limited v Aotearoa Water Action Incorporated* [2022] NZSC 133.

**APPENDIX 1**



LEGEND

- Outline Development Plan Area
- Business 2A Zone
- Retain shelter belt / landscape treatment area 5 / 2.5m high bund / No individual property access
- Indicative Primary Road
- Indicative Rail Siding Infrastructure
- Indicative Rail Spurs into Warehouses
- Extent of Rail Infrastructure (no slidings or spurs to extend beyond this point)
- Existing Water Race Retained
- Extent of Road Frontage Upgrade
- Shared Pedestrian / Cycle Path
- Intersection Upgrade (area shown is indicative)
- Green link
- Green link including shared pedestrian / cycle path
- Node including seating and landscaping (area and location indicative)
- Wet area for further investigation at the time of subdivision



A. OUTLINE DEVELOPMENT PLAN - BUSINESS 2A ZONE TWO CHAIN ROAD

URBAN DESIGN, LANDSCAPE AND VISUAL IMPACT ASSESSMENT  
PROPOSAL - OUTLINE DEVELOPMENT PLAN  
TWO CHAIN ROAD PLAN CHANGE



## **Final rules package – post hearing changes tracked**

The Proposed Plan Change undertakes the following in the Township Volume. Notified changes underlined or ~~struck through~~. Additional changes now proposed are double underlined or ~~double struck through~~. Note, PC66 provisions are now operative and have been inserted where relevant in the rules below, which has led to some numbering changes.

Text in **red** has been inserted/deleted in response to submitter's evidence.

Text in **green** has been inserted post-hearing, in the supplementary evidence dated 15 November 2022:

1. To amend Township Volume, Chapter B3 Health Safety and Values, B3.3 Quality of the Environment to read:

### Policy B3.4.6

(a) To provide Business 2 and 2B Zones with few requirements for aesthetic or amenity values, but which have sufficient provisions: to safeguard people's health and well-being and to avoid pollution of natural resources or potential 'reverse sensitivity' effects.

(b) To provide a Business 2A Zone which can cater for business activities requiring large footprint buildings and/or sites but which have sufficient provisions to safeguard people's health and well-being and avoid pollution of natural resources or potential 'reverse sensitivity' effects.

### Explanation and Reasons

Business 2 and 2B Zones are areas where activities may be able to locate that have effects which are incompatible with the character or amenity values of Living, Business 1 or Rural Zones. Activities which may be sensitive to these effects, such as residential activities, are managed in Business 2, 2A and 2B Zones to avoid potential 'reverse sensitivity' issues. Business 2 and 2B Zones tend to adjoin or be close to townships, so effects of some activities still need to be managed or may be inappropriate in Business 2 Zones. The Rural (Outer Plains) Zone may be an alternative location for "rural-based" industrial activities. The Business 2A Zone does not adjoin any residential area and as such caters for a larger scale of activities than other Business 2 Zones.

In the case of Rolleston the Business 2A Zone is surrounded by rural zoned land with the nearest Living Zone being located on the southern side of SH1 and the South Island Main Trunk Railway Line. A rural residential enclave (Armack Drive) exists to the west of the Business 2A Zone (beyond Railway Road and the Midland Railway) and this has been recognised in the development



controls that apply along the western boundary of the Business 2A Zone.

Rolleston Prison is located to the immediate west of the Business 2A Zone at Two Chain Road. The Prison accommodates people residing on the Prison site, including for long periods of time. Development controls apply near the interface of the Business 2A Zone and Rolleston Prison, in recognition of the sensitivity of Prison residents to potential disturbance. The development controls are intended to ensure that the safe and efficient operation of Rolleston Prison is not constrained or compromised by activities occurring within the Business 2A Zone, and to ensure that activities within the Business 2A Zone are compatible with the function of Rolleston Prison, including the accommodation of people within the Prison.

The Business 2A Zone at Rolleston provides for a range of business activities in particular those requiring larger allotment sizes with good access to State Highway 1 and/or the Main Trunk Railway Line. In this regard this zone has an important role in the economic prosperity of the Greater Christchurch area as well as providing significant employment opportunities for Selwyn District residents.

Business 2 Zones currently exist at: Leeston, Rolleston, Darfield and Coalgate. The Business 2A Zone exists at Rolleston. The Business 2B Zone exists at Lincoln.

2. To amend Township Volume, Chapter C13 Status Activities, Rule 13.1.4 Controlled Activities, to read:

13.1.4 Within the Business 2A Zone, other than that part of the Zone that is within 500m of the Walkers Road boundary of Rolleston Prison, the following activities shall be controlled activities, irrespective of whether they comply with the conditions for permitted activities in Rules 14 to 23.

...

3. To amend Township Volume, Chapter C13 Status Activities, Rule 13.1.7 Discretionary Activities, to read:

13.1.7.3 In addition to the activities listed in Rule 13.1.7.2, within that part of the Business 2A Zone that is within 500m of the Walkers Road boundary of Rolleston Prison, any of the activities listed in (a) to (p) below, irrespective of whether they comply with the conditions for permitted activities in Rules 14 to 23.

(a) Meat slaughtering and processing

- (b) Cement manufacture
- (c) Hot mix, asphalt paving manufacture
- (d) Glass or fibreglass manufacture
- (e) Foundry processes, electroplating works, melting of metal, steel manufacture and galvanising
- (f) Natural gas, oil or petroleum distillation or refining
- (g) Manufacture of hardboard, chipboard or particle board
- (h) Timber treatment
- (i) Thermal power generation
- (j) Firearms range
- (k) Chemical fertiliser manufacture
- (l) Waste transfer stations and resource recovery facilities
- (m) Waste incineration, including burning of waste oil
- (n) Crematoriums
- (o) Timber processing, including sawmills and wood chipping.
- (p) Carpet manufacturing.
- (q) Any other industry using the combustion of coal, wood, or any other bio-mass for space heating or as a source of energy.

4. To amend Township Volume, Chapter C13 Status Activities, Rule 13.1.11 Non-Complying Activities, to read:

13.1.11 The following activities shall be non-complying activities in Business 2, 2A and 2B Zones:

13.1.11.1 Any activity which is specified in Rules 14 to 23 as being a non-complying activity.

13.1.11.2 Any of the activities listed in (a) to (c) below, irrespective of whether they comply with the conditions for permitted or discretionary activities in Rules 14 to 23.

(a) Mining or quarrying

(b) Correction facility

(c) Treatment or disposal of solid or liquid waste delivered or conveyed onto the site.

13.1.11.3 In addition to the activities listed in Rule 13.1.11.2, within that part of the Business 2A Zone that is within 500m of the Walkers Road boundary of Rolleston Prison, any of the

activities listed in (a) to (d) permitted activities or discretionary activities in Rules 14 to 23.

(a) Landfills

(b) Commercial composting

(c) Tyre storage or shredding

(d) Petrochemical or hazardous substance bulk storage or distribution.

5. To amend Township Volume, Chapter C16 BZone Buildings, Rule 16.1.2.1 to read:

16.1.2.1 A landscaping strip of at least 3 metres width shall be provided along every road frontage except along:

- the frontage with Railway Road; or
- that part of Hoskyns Road abutting Precinct 4 as outlined in Appendix 22; or
- along the frontage of Jones Road identified within the Outline Development Plan at Appendix 43 where the provision of sightlines from rail crossings are required under Rule 17.4.1.2 and vehicle accessways required under Appendix 13;
- along Maddisons Road identified within the Outline Development Plan at Appendix 43A ~~or~~ or
- along the frontage of Two Chain Road identified within the Outline Development Plan at Appendix 43B.

6. To amend Township Volume, Chapter C17 BZone Rooding, Rule 17.2 to read:

17.2.1.2 The site within which the vehicle accessway is formed does not have access directly on to:

- i) Railway Road, Rolleston from that part of the Business 2A Zones as is depicted on the Outline Development Plan at Appendix 22; or
- ii) Hoskyns Road, Rolleston from that part of the Business 2A Zones identified as Precinct 4 as is depicted on the Outline Development Plan at Appendix 22; or

iii) Maddisons Road, Rolleston from that part of the Business 2A Zone depicted on the Outline Development Plan at Appendix 43A; or

iv) Two Chain Road, Runners Road, or Walkers Road (north of the primary road intersection), Rolleston from that part of the Business 2A Zone depicted on the Outline Development Plan at Appendix 43B.

...

17.2.2 Any activity which does not comply with Rule 17.2.1.2(ii) or Rule 17.2.1.2(iii) or Rule 17.2.1.2(iv) shall be a restricted discretionary activity.

...

17.2.3.4 In relation to the Business 2A Zone in Appendix 43B the effects of the accessway on the safe and efficient operation of Two Chain Road and the shared pedestrian/cycle path on these roads.

17.2.3.5 In relation to any vehicle accessway to Runners Road within the Business 2A Zone in Appendix 43B, the necessity, extent and cost of upgrades to Runners Road, the safe and efficient operation of the Runners Road/Walkers Road intersection, and effects on the safe and efficient operation of the Walkers Road level rail crossing.

17.2.3.6 In relation to any vehicle accessway to Walkers Road (north of the primary road intersection) within the Business 2A Zone in Appendix 43B, the effects of the accessway on Rolleston Prison and ~~prisoners~~ people residing within the prison.

△

7. To amend Township Volume, Chapter C17 BZone Rooding, Rule 17.3 to read:

17.3.1.8 The site does not have access directly on to Two Chain Road, Runners Road or Walkers Road (north of the primary road intersection), Rolleston from that part of the Business 2A Zone depicted on the Outline Development Plan at Appendix 43B.

...

17.3.8 Any activity which does not comply with Rule 17.3.1.6, Rule 17.3.1.7 or Rule 17.3.1.8 shall be a restricted discretionary activity.

...

17.3.9.4 In relation to the Business 2A Zone in Appendix 43B the effects of the access on the safe and efficient operation of Two Chain Road and the shared pedestrian/cycle path on these roads.

17.3.9.5 In relation to any access to Runners Road within the Business 2A Zone in Appendix 43B, the necessity, extent and cost of upgrades to Runners Road, the safe and efficient operation of the Runners Road/Walkers Road intersection, and effects on the safe and efficient operation of the Walkers Road level rail crossing.

17.3.9.6 In relation to any vehicle accessway to Walkers Road (north of the primary road intersection) within the Business 2A Zone in Appendix 43B, the effects of the accessway on the Rolleston Prison ~~accommodation units~~ and ~~prisoners people~~ residing within ~~those units the prison~~.

8. To amend Township Volume, Chapter C17 BZone Rooding, Rule 17.6 to read:

#### Permitted Activities

17.6.x The establishment of up to three road crossings from Two Chain Road into the area identified on the Outline Development Plan at Appendix 43B is a permitted activity.

17.6.2 The establishment of a road or rail crossing requiring a break in the existing primary shelter belt or future secondary planting strip required by Landscape Treatment 3 in Rule 24.1.3.14 along the Railway Road frontage of the Business 2A Zone, or the establishment of a road crossing requiring a break in the future planting strip required by Landscape Treatment 2; or the establishment of a road crossing requiring a break in the future planting strip required by Landscape Treatment 1 as depicted on the Outline Development Plan in Appendix 43A, or the establishment of more than three road crossings requiring a break in the existing primary shelter belt or future secondary planting strip required by Landscape Treatment 5 as depicted on the Outline Development Plan in Appendix 43B, or the establishment of a road crossing from Runners Road into the area identified on the Outline Development Plan at Appendix 43B, shall be a restricted discretionary activity.

...

17.6.3.7 In relation to the Business 2A Zone in Appendix 43B the effects of the accessway on the safe and efficient operation of Two Chain Road and the shared pedestrian/cycle path on that road.

17.6.3.8 In relation to any road crossings from Runners Road into the Business 2A Zone in Appendix 43B, the necessity, extent and cost of upgrades to Runners Road, the safe and efficient operation of the Runners Road/Walkers Road intersection, and effects on the safe and efficient operation of the Walkers Road level rail crossing.

9. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.5 to read:

22.5.1.2 Any other lighting if it does not exceed:

...

(c) 3 lux spill (horizontal or vertical) on to any part of any adjoining property in the Rural zone which has a common boundary with either the Business 2A Zone as depicted on the Outline Development Plan at Appendix 22, the Business 2A Zone as depicted on the Outline Development Plan at Appendix 43A, the Business 2A Zone as depicted on the Outline Development Plan at Appendix 43B, or the Business 2B Zone as depicted on the Outline Development Plan for ODP Area 5 at Appendix 37.

...

22.5.1.3 Lighting in the Business 2A Zone which is designed so that:

...

(c) In the Business 2A Zone covered by the Outline Development Plan in Appendix 43, Appendix 43A and Appendix 43B, all outdoor lighting is shielded from above and is directed away from adjacent properties outside of the Business 2A Zone. All fixed outdoor lighting is directed away from adjacent roads outside of the Business 2A Zone.

10. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.9 to read:

22.9.1 Development in the Business 2A Zone shall be a permitted activity provided that the following condition is met:

22.9.1.1 The area along the common boundary of the Business 2A Zone and the Rural Zone, as depicted in the respective

landscape treatment areas identified on the Outline Development Plans at Appendix 22, ~~and~~ Appendix 43, Appendix 43A, ~~and~~ Appendix 43B, and the principal building, shall be landscaped in accordance with the requirements of Rule 24.1.3.13.

22.9.1.2 In the Business 2A Zone identified on the Outline Development Plan in Appendix 43, Appendix 43A, ~~and~~ Appendix 43B, landscaping, road connections, railway crossings, sidings and pedestrian links shall be provided generally in accordance with those locations identified on the Outline Development Plan at Appendix 43, Appendix 43A, ~~and~~ Appendix 43B. The roads shall be constructed in general accordance with the road reserve widths specified in Appendix 43.

11. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.9 to read:

Restricted Discretionary Activities – Development within the Business 2A Zone, Rolleston

22.9.6 Within the Appendix E43B Rolleston Business 2A Zone Two Chain Road ODP area, the operation of any ~~business activity~~ within 150m of the Walkers Road boundary of Rolleston Prison between the hours of 10.00pm and 7.00am shall be a restricted discretionary activity.

22.9.7 Under Rule 22.9.6 the Council shall restrict the exercise of its discretion to consideration of:

22.9.7.1 Any actual or potential noise effects on Rolleston Prison and ~~prisoners people~~ residing within the prison.

12. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.9 to read:

Non-complying Activities – Development within the Business 2A Zone, Rolleston

22.9.x Within the Appendix E43B Rolleston Business 2A Zone Two Chain Road ODP area, no building shall be ~~occupied~~ constructed until such time as:

a. the State Highway 1/Walkers Road/Dunns Crossing Road intersection is upgraded ~~as a double lane roundabout, and the Walkers Road intersection with Runners Road is realigned~~; and

b. ~~the frontages of~~ Walkers Road ~~between State Highway 1 and Two Chain Road~~ ~~are~~ is upgraded ~~to an arterial standard~~, inclusive of a flush median on Walkers Road; and

~~c. the Walkers Road intersection with Runners Road and rail crossing is upgraded; and~~

~~dc. Two Chain Road is widened between Walkers Road and Jones Road to a Rural Arterial Road standard and Jones Two Chain Road/Wards Road intersection realigned (other than the road site frontage upgrades specified in(b) above; and~~

~~ed. either a primary road link is operational within the E43B ODP area, linking Two Chain Road and Walkers Road, or the intersection of Two Chain Road and Walkers Road is upgraded to a roundabout; and~~

~~fe. the Two Chain Road rail level crossing is upgraded to include barrier arms.~~

13. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.10 to read:

22.10.1.3 In the Business 2A Zone at Rolleston as depicted on the Outline Development Plan at Appendix 43, Appendix 43A, and Appendix 43B:

14. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.10 to read:

22.10.3 Any activity which does not comply with Rule 22.10.1.2 or 22.10.1.3 shall be a noncomplying activity.

22.10.4 In the Business 2A Zone at Rolleston as depicted on the Outline Development Plan at Appendix 43A and Appendix 43B, any commercial activity, or any retail activity that is not otherwise specified in Rule 22.10.1.3, shall be a non-complying activity.

15. To amend Township Volume, Chapter C24 BZ Subdivision, Rule 24.1 to read:

24.1.3.11 In the Business 2A Zone road connections and pedestrian links shall be provided generally in accordance with those locations identified on the Outline Development Plans at Appendix 22, ~~and Appendix 43, Appendix 43A, and Appendix 43B~~. The roads shall be constructed in general accordance with the road cross section examples also included in Appendix 22 (and where any conflict occurs with Rule E13.3.1 these cross sections shall take precedence) or the road reserve widths specified in Appendix 43. Furthermore, lots created which abut Hoskyns Road in Precinct 2 as shown on the Outline Development Plan at Appendix 22 should be designed in such a way that buildings will likely be encouraged to front onto and access onto Hoskyns Road.



...

24.1.3.13 The area along the common boundary of the Business 2A Zone and the Rural Zone, as depicted in the respective landscape treatment areas identified on the Outline Development Plans at Appendix 22, and Appendix 43, Appendix 43A, and Appendix 43B, and the principal building shall be landscaped to the following standards:

...

#### Landscape Treatment Three

(a) The existing primary shelter belt along Railway Road shall be retained along the full extent of the Business 2A Zone boundary in this location.

~~(aa) The existing primary shelter belt along Two Chain Road shall be retained along the full extent of the Business 2A Zone boundary depicted in Appendix 43B, except that the shelter belt may have up to three breaks to allow up to three road connections into the Business 2A Zone.~~

(b) The existing primary shelterbelt shall be maintained, and if dead, diseased or damaged, shall be removed and replaced.

(c) A secondary planting strip consisting of the species Leyland cypress shall be located to the west of the existing primary shelterbelt on the opposite side of Railway Road in generally that location as identified in the Outline Development Plan at Appendix 22.

~~(cc) A secondary planting strip consisting of one or more of the species Macrocarpa, Totara, Leyland cypress, Kahikatea or Pittosporum, shall be located to the south of the existing primary shelterbelt on Two Chain Road in generally that location as identified in the Outline Development Plan at Appendix 43B.~~

(d) The secondary planting strip shall achieve, once matured, a minimum width of 2.5 metres and a minimum height of 8 metres.

(e) The secondary planting strip shall be maintained, and if dead, diseased, or damaged, shall be removed and replaced.

...

#### Landscape Treatment Five

(a) A 15m wide landscape strip shall be created on the Two Chain Road frontage, consisting of:

(i) A landscape strip of 5m width incorporating the retention and supplementation of existing shelterbelts (except where access is required) within 3m of the road boundary. Where existing gaps occur, tree species of either Cupressus macrocarpa, Leyland cypress or Pinus Radiata (minimum 600mm high at the time of planting) are to be planted at 3.0m centres. Trees shall be maintained, at maturity, at a minimum height of 8m.

(ii) Provision for maintenance access on the southern side of the retained shelter belts.

(iii) Construction of a 2.5m high earth bund with a northern slope of 1:3. The southern slope may be between 1:1 and 1:4.

(iv) Planting of two rows of native plants on the upper section of the northern slope, and the top, of the earth bund. The rows shall be 2m apart, with plants at 1.5m centres and alternative offsets to create a dense native belt 3-5m in height. The plant species shall be selected from Kunzea ericoides, Pittosporum tenuifolium, Pittosporum eugenoides, Phormium tenax, and Pseudopanax arboreus. The plants are to be 0.5L pots with a minimum height of 300mm at the time of planting.

(v) All landscaping shall be maintained, and if dead, diseased, or damaged, shall be removed and replaced.

Note: Common boundary landscaping is required along the full extent of the relevant boundaries as depicted on the Outline Development Plans at Appendix 22, ~~and~~ Appendix 43, Appendix 43A, ~~and~~ Appendix 43B except across vehicle, rail, or pedestrian crossings. Refer to Rule 17.6.1 ~~and~~ 17.6.X in respect of road or rail crossings that require breaks in the existing primary shelterbelt or future secondary planting strip along Railway Road and Two Chain Road, and breaks in the proposed screening treatment along the Hoskyns Road frontage identified as Precinct 4 and the Maddisons Road frontage depicted in Appendix 43A, and Rule 17.2.2 in respect of vehicle accessways which require breaks in the proposed screening treatment along the Hoskyns Road frontage identified as Precinct 4 and the Maddisons Road frontage depicted in Appendix 43A.

16. To amend Township Volume, Chapter C24 BZ Subdivision, Rule 24.1.3 to read:

Rolleston

24.1.3.x Within the Appendix E43B Rolleston Business 2A Zone Two Chain Road ODP area:

(a) no development (including earthworks or construction related activities) shall occur prior to the commencement of the upgrade of the SH1/Dunns Crossing Road/ Walkers Road intersection.

(b) no subdivision of land shall take place until a potable water supply is available which is capable of servicing any lots within the subdivision.

17. To amend Township Volume, by inserting Appendix E43B Rolleston Business 2A Zone Two Chain Road ODP.
18. To amend the Planning Maps, to reflect the Business 2A zoning of the site.
19. Any other consequential amendments including but not limited to renumbering of clauses.

## Final rules package – clean

1. To amend Township Volume, Chapter B3 Health Safety and Values, B3.3 Quality of the Environment to read:

### Policy B3.4.6

(a) To provide Business 2 and 2B Zones with few requirements for aesthetic or amenity values, but which have sufficient provisions: to safeguard people's health and well-being and to avoid pollution of natural resources or potential 'reverse sensitivity' effects.

(b) To provide a Business 2A Zone which can cater for business activities requiring large footprint buildings and/or sites but which have sufficient provisions to safeguard people's health and well-being and avoid pollution of natural resources or potential 'reverse sensitivity' effects.

### Explanation and Reasons

Business 2 and 2B Zones are areas where activities may be able to locate that have effects which are incompatible with the character or amenity values of Living, Business 1 or Rural Zones. Activities which may be sensitive to these effects, such as residential activities, are managed in Business 2, 2A and 2B Zones to avoid potential 'reverse sensitivity' issues. Business 2 and 2B Zones tend to adjoin or be close to townships, so effects of some activities still need to be managed or may be inappropriate in Business 2 Zones. The Rural (Outer Plains) Zone may be an alternative location for "rural-based" industrial activities. The Business 2A Zone does not adjoin any residential area and as such caters for a larger scale of activities than other Business 2 Zones.

In the case of Rolleston the Business 2A Zone is surrounded by rural zoned land with the nearest Living Zone being located on the southern side of SH1 and the South Island Main Trunk Railway Line. A rural residential enclave (Armack Drive) exists to the west of the Business 2A Zone (beyond Railway Road and the Midland Railway) and this has been recognised in the development controls that apply along the western boundary of the Business 2A Zone.

Rolleston Prison is located to the immediate west of the Business 2A Zone at Two Chain Road. The Prison accommodates people residing on the Prison site, including for long periods of time. Development controls apply near the interface of the Business 2A Zone and Rolleston Prison, in recognition of the sensitivity of Prison residents to potential disturbance. The development controls are intended to ensure that the safe and efficient

operation of Rolleston Prison is not constrained or compromised by activities occurring within the Business 2A Zone, and to ensure that activities within the Business 2A Zone are compatible with the function of Rolleston Prison, including the accommodation of people within the Prison.

The Business 2A Zone at Rolleston provides for a range of business activities in particular those requiring larger allotment sizes with good access to State Highway 1 and/or the Main Trunk Railway Line. In this regard this zone has an important role in the economic prosperity of the Greater Christchurch area as well as providing significant employment opportunities for Selwyn District residents.

Business 2 Zones currently exist at: Leeston, Rolleston, Darfield and Coalgate. The Business 2A Zone exists at Rolleston. The Business 2B Zone exists at Lincoln.

2. To amend Township Volume, Chapter C13 Status Activities, Rule 13.1.4 Controlled Activities, to read:

13.1.4 Within the Business 2A Zone, other than that part of the Zone that is within 500m of the Walkers Road boundary of Rolleston Prison, the following activities shall be controlled activities, irrespective of whether they comply with the conditions for permitted activities in Rules 14 to 23.

...

3. To amend Township Volume, Chapter C13 Status Activities, Rule 13.1.7 Discretionary Activities, to read:

13.1.7.3 In addition to the activities listed in Rule 13.1.7.2, within that part of the Business 2A Zone that is within 500m of the Walkers Road boundary of Rolleston Prison, any of the activities listed in (a) to (p) below, irrespective of whether they comply with the conditions for permitted activities in Rules 14 to 23.

- (a) Meat slaughtering and processing
- (b) Cement manufacture
- (c) Hot mix, asphalt paving manufacture
- (d) Glass or fibreglass manufacture
- (e) Foundry processes, electroplating works, melting of metal, steel manufacture and galvanising
- (f) Natural gas, oil or petroleum distillation or refining
- (g) Manufacture of hardboard, chipboard or particle board
- (h) Timber treatment
- (i) Thermal power generation

- (j) Firearms range
- (k) Chemical fertiliser manufacture
- (l) Waste transfer stations and resource recovery facilities
- (m) Waste incineration, including burning of waste oil
- (n) Crematoriums
- (o) Timber processing, including sawmills and wood chipping.
- (p) Carpet manufacturing.
- (q) Any other industry using the combustion of coal, wood, or any other bio-mass for space heating or as a source of energy.

4. To amend Township Volume, Chapter C13 Status Activities, Rule 13.1.11 Non-Complying Activities, to read:

13.1.11 The following activities shall be non-complying activities in Business 2, 2A and 2B Zones:

13.1.11.1 Any activity which is specified in Rules 14 to 23 as being a non-complying activity.

13.1.11.2 Any of the activities listed in (a) to (c) below, irrespective of whether they comply with the conditions for permitted or discretionary activities in Rules 14 to 23.

(a) Mining or quarrying

(b) Correction facility

(c) Treatment or disposal of solid or liquid waste delivered or conveyed onto the site.

13.1.11.3 In addition to the activities listed in Rule 13.1.11.2, within that part of the Business 2A Zone that is within 500m of the Walkers Road boundary of Rolleston Prison, any of the activities listed in (a) to (d) permitted activities or discretionary activities in Rules 14 to 23.

(a) Landfills

(b) Commercial composting

(c) Tyre storage or shredding

(d) Petrochemical or hazardous substance bulk storage or distribution.

5. To amend Township Volume, Chapter C16 BZone Buildings, Rule 16.1.2.1 to read:

16.1.2.1 A landscaping strip of at least 3 metres width shall be provided along every road frontage except along:

- the frontage with Railway Road; or
- that part of Hoskyns Road abutting Precinct 4 as outlined in Appendix 22; or
- along the frontage of Jones Road identified within the Outline Development Plan at Appendix 43 where the provision of sightlines from rail crossings are required under Rule 17.4.1.2 and vehicle accessways required under Appendix 13;
- along Maddisons Road identified within the Outline Development Plan at Appendix 43A; or
- along the frontage of Two Chain Road identified within the Outline Development Plan at Appendix 43B.

6. To amend Township Volume, Chapter C17 BZone Rooding, Rule 17.2 to read:

17.2.1.2 The site within which the vehicle accessway is formed does not have access directly on to:

i) Railway Road, Rolleston from that part of the Business 2A Zones as is depicted on the Outline Development Plan at Appendix 22; or

ii) Hoskyns Road, Rolleston from that part of the Business 2A Zones identified as Precinct 4 as is depicted on the Outline Development Plan at Appendix 22; or

iii) Maddisons Road, Rolleston from that part of the Business 2A Zone depicted on the Outline Development Plan at Appendix 43A; or

iv) Two Chain Road, Runners Road, or Walkers Road (north of the primary road intersection), Rolleston from that part of the Business 2A Zone depicted on the Outline Development Plan at Appendix 43B.

...

17.2.2 Any activity which does not comply with Rule 17.2.1.2(ii) or Rule 17.2.1.2(iii) or Rule 17.2.1.2(iv) shall be a restricted discretionary activity.

...

17.2.3.4 In relation to the Business 2A Zone in Appendix 43B the effects of the accessway on the safe and efficient operation of Two Chain Road and the shared pedestrian/cycle path on these roads.

17.2.3.5 In relation to any vehicle accessway to Runners Road within the Business 2A Zone in Appendix 43B, the necessity, extent and cost of upgrades to Runners Road, the safe and efficient operation of the Runners Road/Walkers Road intersection, and effects on the safe and efficient operation of the Walkers Road level rail crossing.

17.2.3.6 In relation to any vehicle accessway to Walkers Road (north of the primary road intersection) within the Business 2A Zone in Appendix 43B, the effects of the accessway on Rolleston Prison and people residing within the prison.

±

7. To amend Township Volume, Chapter C17 BZone Roading, Rule 17.3 to read:

17.3.1.8 The site does not have access directly on to Two Chain Road, Runners Road or Walkers Road (north of the primary road intersection), Rolleston from that part of the Business 2A Zone depicted on the Outline Development Plan at Appendix 43B.

...

17.3.8 Any activity which does not comply with Rule 17.3.1.6, Rule 17.3.1.7 or Rule 17.3.1.8 shall be a restricted discretionary activity.

...

17.3.9.4 In relation to the Business 2A Zone in Appendix 43B the effects of the access on the safe and efficient operation of Two Chain Road and the shared pedestrian/cycle path on these roads.

17.3.9.5 In relation to any access to Runners Road within the Business 2A Zone in Appendix 43B, the necessity, extent and cost of upgrades to Runners Road, the safe and efficient operation of the Runners Road/Walkers Road intersection, and effects on the safe and efficient operation of the Walkers Road level rail crossing.



17.3.9.6 In relation to any vehicle accessway to Walkers Road (north of the primary road intersection) within the Business 2A Zone in Appendix 43B, the effects of the accessway on the Rolleston Prison and people residing within the prison.

8. To amend Township Volume, Chapter C17 BZone Rooding, Rule 17.6 to read:

Permitted Activities

17.6.x The establishment of up to three road crossings from Two Chain Road into the area identified on the Outline Development Plan at Appendix 43B is a permitted activity.

17.6.2 The establishment of a road or rail crossing requiring a break in the existing primary shelter belt or future secondary planting strip required by Landscape Treatment 3 in Rule 24.1.3.14 along the Railway Road frontage of the Business 2A Zone, or the establishment of a road crossing requiring a break in the future planting strip required by Landscape Treatment 2; or the establishment of a road crossing requiring a break in the future planting strip required by Landscape Treatment 1 as depicted on the Outline Development Plan in Appendix 43A, or the establishment of more than three road crossings requiring a break in the existing primary shelter belt or future secondary planting strip required by Landscape Treatment 5 as depicted on the Outline Development Plan in Appendix 43B, or the establishment of a road crossing from Runners Road into the area identified on the Outline Development Plan at Appendix 43B, shall be a restricted discretionary activity.

...

17.6.3.7 In relation to the Business 2A Zone in Appendix 43B the effects of the accessway on the safe and efficient operation of Two Chain Road and the shared pedestrian/cycle path on that road.

17.6.3.8 In relation to any road crossings from Runners Road into the Business 2A Zone in Appendix 43B, the necessity, extent and cost of upgrades to Runners Road, the safe and efficient operation of the Runners Road/Walkers Road intersection, and effects on the safe and efficient operation of the Walkers Road level rail crossing.

9. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.5 to read:

22.5.1.2 Any other lighting if it does not exceed:

...

(c) 3 lux spill (horizontal or vertical) on to any part of any adjoining property in the Rural zone which has a common boundary with either the Business 2A Zone as depicted on the Outline Development Plan at Appendix 22, the Business 2A Zone as depicted on the Outline Development Plan at Appendix 43A, the Business 2A Zone as depicted on the Outline Development Plan at Appendix 43B, or the Business 2B Zone as depicted on the Outline Development Plan for ODP Area 5 at Appendix 37.

...

22.5.1.3 Lighting in the Business 2A Zone which is designed so that:

...

(c) In the Business 2A Zone covered by the Outline Development Plan in Appendix 43, ~~and Appendix 43A~~ and Appendix 43B, all outdoor lighting is shielded from above and is directed away from adjacent properties outside of the Business 2A Zone. All fixed outdoor lighting is directed away from adjacent roads outside of the Business 2A Zone.

10. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.9 to read:

22.9.1 Development in the Business 2A Zone shall be a permitted activity provided that the following condition is met:

22.9.1.1 The area along the common boundary of the Business 2A Zone and the Rural Zone, as depicted in the respective landscape treatment areas identified on the Outline Development Plans at Appendix 22, ~~and Appendix 43~~, Appendix 43A, and Appendix 43B, and the principal building, shall be landscaped in accordance with the requirements of Rule 24.1.3.13.

22.9.1.2 In the Business 2A Zone identified on the Outline Development Plan in Appendix 43, Appendix 43A, and Appendix 43B, landscaping, road connections, railway crossings, sidings and pedestrian links shall be provided generally in accordance with those locations identified on the Outline Development Plan at Appendix 43, Appendix 43A, and Appendix 43B. The roads shall be constructed in general accordance with the road reserve widths specified in Appendix 43.

11. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.9 to read:

Restricted Discretionary Activities – Development within the Business 2A Zone, Rolleston

22.9.6 Within the Appendix E43B Rolleston Business 2A Zone Two Chain Road ODP area, the operation of any activity within 150m of the Walkers Road boundary of Rolleston Prison between the hours of 10.00pm and 7.00am shall be a restricted discretionary activity.

22.9.7 Under Rule 22.9.6 the Council shall restrict the exercise of its discretion to consideration of:

22.9.7.1 Any actual or potential noise effects on Rolleston Prison and people residing within the prison.

12. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.9 to read:

Non-complying Activities – Development within the Business 2A Zone, Rolleston

22.9.x Within the Appendix E43B Rolleston Business 2A Zone Two Chain Road ODP area, no building shall be constructed until such time as:

a. the State Highway 1/Walkers Road/Dunns Crossing Road intersection is upgraded as a double lane roundabout, and the Walkers Road intersection with Runners Road is realigned; and

b. Walkers Road between State Highway 1 and Two Chain Road ~~are~~ is upgraded to an arterial standard, inclusive of a flush median on Walkers Road; and

c. Two Chain Road is widened between Walkers Road and Jones Road to a Rural Arterial Road standard and Two Chain Road/Wards Road intersection realigned; and

d. either a primary road link is operational within the E43B ODP area, linking Two Chain Road and Walkers Road, or the intersection of Two Chain Road and Walkers Road is upgraded to a roundabout; and

e. the Two Chain Road rail level crossing is upgraded to include barrier arms.

13. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.10 to read:

22.10.1.3 In the Business 2A Zone at Rolleston as depicted on the Outline Development Plan at Appendix 43, Appendix 43A, and Appendix 43B:

14. To amend Township Volume, Chapter C22 BZ Activities, Rule 22.10 to read:

22.10.3 Any activity which does not comply with Rule 22.10.1.2 or 22.10.1.3 shall be a noncomplying activity.

22.10.4 In the Business 2A Zone at Rolleston as depicted on the Outline Development Plan at Appendix 43A and Appendix 43B, any commercial activity, or any retail activity that is not otherwise specified in Rule 22.10.1.3, shall be a non-complying activity.

15. To amend Township Volume, Chapter C24 BZ Subdivision, Rule 24.1 to read:

24.1.3.11 In the Business 2A Zone road connections and pedestrian links shall be provided generally in accordance with those locations identified on the Outline Development Plans at Appendix 22, ~~and~~ Appendix 43, Appendix 43A, and Appendix 43B. The roads shall be constructed in general accordance with the road cross section examples also included in Appendix 22 (and where any conflict occurs with Rule E13.3.1 these cross sections shall take precedence) or the road reserve widths specified in Appendix 43. Furthermore, lots created which abut Hoskyns Road in Precinct 2 as shown on the Outline Development Plan at Appendix 22 should be designed in such a way that buildings will likely be encouraged to front onto and access onto Hoskyns Road.

...

24.1.3.13 The area along the common boundary of the Business 2A Zone and the Rural Zone, as depicted in the respective landscape treatment areas identified on the Outline Development Plans at Appendix 22, ~~and~~ Appendix 43, Appendix 43A, and Appendix 43B, and the principal building shall be landscaped to the following standards:

...

#### Landscape Treatment Three

(a) The existing primary shelter belt along Railway Road shall be retained along the full extent of the Business 2A Zone boundary in this location.

(b) The existing primary shelterbelt shall be maintained, and if dead, diseased or damaged, shall be removed and replaced.

(c) A secondary planting strip consisting of the species Leyland cypress shall be located to the west of the existing primary shelterbelt on the opposite side of Railway Road in generally that location as identified in the Outline Development Plan at Appendix 22.

(d) The secondary planting strip shall achieve, once matured, a minimum width of 2.5 metres and a minimum height of 8 metres.

(e) The secondary planting strip shall be maintained, and if dead, diseased, or damaged, shall be removed and replaced.

...

#### Landscape Treatment Five

(a) A 15m wide landscape strip shall be created on the Two Chain Road frontage, consisting of:

(i) A landscape strip of 5m width incorporating the retention and supplementation of existing shelterbelts (except where access is required) within 3m of the road boundary. Where existing gaps occur, tree species of either Cupressus macrocarpa, Leyland cypress or Pinus Radiata (minimum 600mm high at the time of planting) are to be planted at 3.0m centres. Trees shall be maintained, at maturity, at a minimum height of 8m.

(ii) Provision for maintenance access on the southern side of the retained shelter belts.

(iii) Construction of a 2.5m high earth bund with a northern slope of 1:3. The southern slope may be between 1:1 and 1:4.

(iv) Planting of two rows of native plants on the upper section of the northern slope, and the top, of the earth bund. The rows shall be 2m apart, with plants at 1.5m centres and alternative offsets to create a dense native belt 3-5m in height. The plant species shall be selected from Kunzea ericoides, Pittosporum tenuifolium, Pittosporum eugenoides, Phormium tenax, and Pseudopanax arboreus. The plants are to be 0.5L pots with a minimum height of 300mm at the time of planting.

(v) All landscaping shall be maintained, and if dead, diseased, or damaged, shall be removed and replaced.

Note: Common boundary landscaping is required along the full extent of the relevant boundaries as depicted on the Outline Development Plans at Appendix 22, ~~and~~ Appendix 43, Appendix 43A, ~~and~~ Appendix 43B except across vehicle, rail, or pedestrian crossings. Refer to Rule 17.6.1 ~~and~~ 17.6.X in respect of road or rail crossings that require breaks in the existing primary shelterbelt or future secondary planting strip along Railway Road ~~and~~ Two Chain Road, and breaks in the proposed screening treatment along the Hoskyns Road frontage identified as Precinct 4 and the Maddisons Road frontage depicted in Appendix 43A, and Rule 17.2.2 in respect of vehicle accessways which require breaks in the proposed screening treatment along the Hoskyns Road frontage identified as Precinct 4 and the Maddisons Road frontage depicted in Appendix 43A.

16. To amend Township Volume, Chapter C24 BZ Subdivision, Rule 24.1.3 to read:

Rolleston

24.1.3.x Within the Appendix E43B Rolleston Business 2A Zone Two Chain Road ODP area:

(a) no development (including earthworks or construction related activities) shall occur prior to the commencement of the upgrade of the SH1/Dunns Crossing Road/ Walkers Road intersection.

(b) no subdivision of land shall take place until a potable water supply is available which is capable of servicing any lots within the subdivision.

17. To amend Township Volume, by inserting Appendix E43B Rolleston Business 2A Zone Two Chain Road ODP.
18. To amend the Planning Maps, to reflect the Business 2A zoning of the site.
19. Any other consequential amendments including but not limited to renumbering of clauses.

**APPENDIX 2**



## Memo

**To:** Ben Baird, Strategy and Policy Planner, Selwyn District Council  
**From:** Rodney Yeoman, Director  
**Date:** 23/12/2021  
**Re:** Selwyn Business Land Update - 2021

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### Purpose and Scope

Over the last two decades, Selwyn District has experienced rapid growth in population and employment. The district economy has grown by 5.2% per annum, which is much faster than almost every other district in New Zealand and almost double the national growth rate.<sup>1</sup>

Furthermore, in the last few years there has been a rapid increase in residential and business development activity, both in terms of dwellings and business premises construction, along with several private applications for new development areas. In 2021 Selwyn was the fastest growing district in the country, both in terms of quantum (+3,400) and percentage (4.8%), for the first time having more growth than the much larger urban areas of Auckland and Christchurch.<sup>2</sup> In total 10% of the national population growth was located in Selwyn District.

This rapid growth and uptake of capacity have exceeded all expectations, both official Statistics NZ projections, most economic forecasters, and Council's growth modelling. Therefore, the Selwyn District Council (SDC) needs to update the existing research on business capacity.

This memo uses the outputs of the Selwyn Capacity Growth Model (SCGM)<sup>3</sup>, council officers' research<sup>4</sup>, recent development activity<sup>5</sup> and other research conducted by the Council<sup>6</sup> to provide an estimate of the amount of remaining capacity as of June 2021. This will be used by SDC to be used as an input to the coming Long Term Plan (LTP), spatial planning, and to update research that relates to the National Policy Statement on Urban Development (NPSUD).

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<sup>1</sup> Infometrics (2021) Selwyn District Economic Profile.

<sup>2</sup> Statistics New Zealand (2021) Subnational Population Estimates.

<sup>3</sup> Yeoman, R (2020) Selwyn Capacity for Growth Model 2019.

<sup>4</sup> Selwyn District Council (2021) Business land field survey – February.

<sup>5</sup> Statistics New Zealand (2021) Non-residential consented: August 2021.

<sup>6</sup> Formative (2021) Rolleston Inland Ports Economic Role.





## Introduction

The NPSUD includes a set of reporting requirements relating to urban development capacity, both in terms of residential and business activity. A key part of the requirements is that Tier 1 councils must investigate how much capacity is enabled within their planning frameworks and the extent to which this capacity may be developed by the market. Councils are also required to assess the potential future demands of the community and businesses.

The comparison of the developable supply and demand forecasts indicates whether there is sufficient urban development capacity to meet the needs of the community. In the case that there is deemed to be insufficient supply the councils must act to provide more capacity. Tier 1 councils are required to complete a business land assessment every three years, with the next report needing to be complete in time to inform the spatial planning and 2024 long-term plan.

Given the rapidly evolving situation, the Council has decided to be proactive and commission new economic forecasts and to produce a business land assessment by the end of 2021. SDC commissioned the development of the Selwyn Capacity for Growth Model (SCGM2019), which assessed the plan-enabled and contemporary<sup>7</sup> capacity for the current operative District Plan – both residential and business land. In terms of business land, the model showed that there was insufficient capacity to meet the demands of the community for commercially zoned land (in the long term) and that there is likely to be sufficient supply of industrial land supply to meet demands.

Since this work was completed several things have changed. Most importantly population growth has exceeded all expectations which are likely to have resulted in more economic activity locating in the district. Also, since 2019 there has been a global pandemic and several lockdowns, which may have impacted the level of growth in Selwyn.

Additionally, from the capacity side, there has been a progression of the District Plan review which is suggesting changes to the planning framework to enable more business land capacity. Furthermore, there have been several private plan changes that have requested the additional supply of business zoned land, including industrial land (PC61, PC66, PC80) and several small commercial centres to meet the convenience needs of new households in the greenfield areas (PC64, PC69, PC70, PC73, etc). Finally, there has been progress on the planning of Rolleston Fields development and several new commercial developments in the residential portion of the Rolleston Key Activity Centre (KAC).

This has meant that the results from the SCGM2019 need to be updated to ensure that the best available information can be utilised in upcoming planning processes.

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<sup>7</sup> I consider that contemporary metric is broadly comparable to “reasonably expected to be realised” in the NPSUD.



## Business land update assessment

The approach adopted in this memo is similar to that which was applied in the Residential Capacity 2021 memo<sup>8</sup>, broadly I have collected available secondary data, information that the SDC has collated (business land field survey) and information from key landholders. This information has been combined with the results from the SCGM2019 to provide an understanding of the uptake of capacity since 2019, both commercial and industrial. This memo did not include an update of the SCGM2019 or a parcel-level assessment of capacity.

The following steps were undertaken in the research:

- 1) **Economic Growth 2019-2021:** assess the growth in the economy between 2019 and 2021, and compare this growth to the economic forecasts. This assessment shows how the economy has grown relative to expectations in the forecasts.
- 2) **Building Consents 2019-2021:** assess the building consents that have been issued since 2019 and compare them to the economic growth to understand the extent to which growth has resulted in new buildings (and land) being developed for business activity. Specifically, the extent to which growth in economic activity may have been located in business land relative to other zones and the density of the use of the business land.
- 3) **Local Business Land Data:** drawn from SDC's business land survey<sup>9</sup> and data held by key landholders to establish the extent to which buildings and land have been utilised since 2019. I have also engaged with two major landholders, Rolleston Industrial Holdings Limited<sup>10</sup> which is a major holder of industrial land and Rolleston Square Limited<sup>11</sup> as a significant holder of commercial land.
- 4) **Capacity Update 2021:** Finally, the memo draws from material that the Council has on the District Plan review, Rolleston Fields, and private plan changes to establish the recent changes in the supply of commercial and industrial land since 2019.

The primary focus of the memo is to provide SDC with an understanding of the business land position as of June 2021, which can be utilised as input to the LTP planning process.

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<sup>8</sup> Formative (2021) Residential Capacity 2021 (July).

<sup>9</sup> Selwyn District Council (2021) Business land field survey – January to February.

<sup>10</sup> Meeting with Tim Carter on 10<sup>th</sup> November 2021.

<sup>11</sup> Meeting with Lloyd Bathurst on 4<sup>th</sup> November 2021.



## Economic Growth 2019-2021

The first step required was to build an understanding of changes in the demand side of the Selwyn economy. To do this I have analysed the recent change in the community and the level of economic activity supported in Selwyn across the different sectors of the economy, relative to economic forecasts used in the 2019 report.

Since 2019, Selwyn's population has grown from 66,300 to an estimated 73,600 in 2021, which is equivalent to 3,650 new residents per annum.<sup>12</sup> Last year Selwyn's population growth was the highest in the entire country, both in terms of growth rate (4.8%) and in absolute terms (+3,400), with growth being higher than the much larger cities of Auckland, Wellington, Christchurch, Hamilton, Tauranga etc. Based on household formation rates, it is expected that the population growth would have generated an additional 1,200 new households within the district per annum.

This unprecedented rate of growth is much higher than the projections relied upon in the 2019 economic forecasts, which assumed 900 new households per annum. Therefore, it is considered that recent population growth has been consistently higher (around 33%) than was anticipated in the 2019 economic forecasts, and differences in household growth represent a materially change.

However, there is generally a lag between population growth and economic growth, with new employment opportunities generated by the extra household growth likely to emerge in the coming years. Also, since 2019 there has been a global pandemic and several lockdowns, which may have also hindered employment growth in Selwyn. Generally, in times of uncertainty businesses tend to be more conservative, which results in them delaying decisions around new premises or employing new staff. The impacts of the pandemic have been most heavily felt in retail, hospitality, services and office-based jobs, which may have resulted in demand for commercial space in Selwyn being delayed and could eventuate in the coming years.

To further understand the change in economic activity in the district I have drawn on three employment data sets to establish the likely level of growth that has occurred since 2019:

- ❖ **Total Employment Count**<sup>13</sup>: which records total employment count by industry, which includes both employees and working proprietors. The TEC data shows that Selwyn-based employment grew by around 300 new jobs per annum since 2019.

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<sup>12</sup> Statistics New Zealand (2021) Subnational Population Estimates.

<sup>13</sup> Formative (2021) Business and Employment database (BED) - Total Employment Count.



- ❖ **Total Filled Jobs<sup>14</sup>**: this is a newly developed data set that provides an official record of filled jobs – paid employees and does not include working proprietors. The filled jobs recorded for Selwyn increased by around 600 jobs per annum between 2019 and 2021.
- ❖ **Economic Profile<sup>15</sup>**: This is a modelled estimate of employment, which includes both employees and working proprietors. The economic profile estimates that employment growth was around 700 jobs per annum since 2019.

These three data sets suggest that employment has grown at a rate that is broadly consistent with the rate of growth observed over the last two decades, which was 600 jobs per annum. I consider that it is likely that employment growth has not increased much faster than historical rates over the last two years.

Since the last forecasts were produced there has been a global pandemic and several lockdowns over the last two years, which may have also hindered employment growth in Selwyn. This unusual situation may, in part, explain why the extremely high growth in households has not yet resulted in much additional growth in employment in the district.

The latest District economic forecasts provided in 2020 have three scenarios, medium, medium-high and high. These three scenarios relate directly to the 2019 population scenario, with no low scenario provided as this scenario was considered to be very unlikely for Selwyn District.

In summary, the 2019 based economic forecast scenarios show that employment was expected to grow to between 37,500 (Medium) and 43,800 (High) jobs by 2053 (blue dotted lines in Figure 4.1). Figure 4.1 compares the total District employment from the 2019 Economic Forecasts to the previous employment projections, those from the Economic Futures Model (EFM 2017- orange dotted lines) and the Entity Relationships (Entity 2017 - yellow dotted lines). The comparison shows that the 2019 Employment Forecasts predict more employment in the District than the 2017 EFM projections, and sit between the Medium and Medium-high scenarios from the 2017 Entity Relationships, however are much lower than the High scenario in the Entity Relationships.

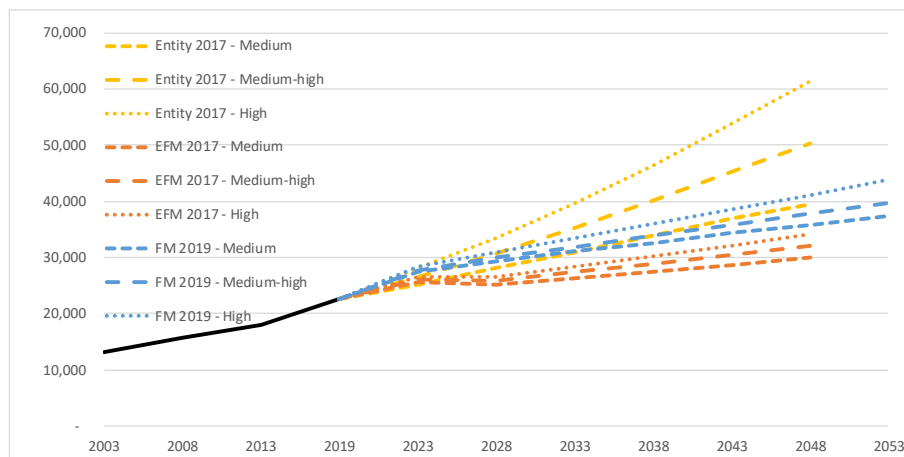
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<sup>14</sup> Statistics New Zealand (2021) Business Employment Data: June 2021 Quarter.

<sup>15</sup> Infometrics (2021) Selwyn District Economic Profile: Employment growth



Figure 1: Selwyn District Employment Forecasts 2019 vs Economic Futures Model and Entity Relationships 2017



Over the long term, the 2019 based Medium-high forecast had a growth of approximately 500 new jobs per annum, which is slightly slower than has been observed over the last two decades, and would result in total District employment reaching 39,800 by 2053. Relative to recent employment growth between 2019 and 2021 (of 600 per annum), the forecasts included more growth in the short term (1,200 per annum). The forecast growth has not yet eventuated, although given the large scale of household growth that has occurred, I expect there will be some delayed/pent-up growth that may eventuate in the coming year or two after the impacts of the pandemic have decreased.

I consider that short term difference in employment growth (2019-2021) and the forecasts are not material to the findings in the 2019 report. Specifically, short term fluctuations are not relevant to council planning, which is more concerned with medium and long term trends. Since the last forecasts were produced there has been a global pandemic and several lockdowns, which may have hindered growth in employment in Selwyn. This unusual situation may explain why the extremely high growth in households did not translate into as much growth in employment in the district as would be expected and it is expected that employment growth will increase after the effects of the pandemic end.

#### Building Consents 2019-2021

While employment is a commonly used metric for understanding demand for business land, growth in employment does not always directly convert to more floorspace developed or land is needed in an economy. This is because some employment growth will be accommodated by businesses within existing premises and/or in buildings that are vacant, which means that new floorspace or land may not be required.

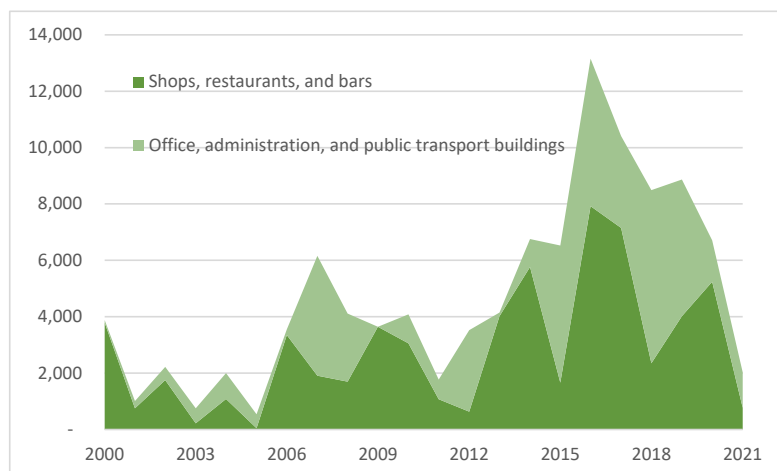


Also, the amount of commercial and industrial floorspace consents are generally volatile, with peaks and troughs as developments are consented (see [Figure 2](#) and [Figure 3](#)). It can take many years for a business to utilise the entire premises, which means that development from many years ago could still accommodate growth today. Conversely, some industries require few employees and large areas of floorspace or land (e.g. storage or distribution) which could result in more floorspace or land than would be suggested by the level of employment growth.

Notwithstanding the volatility in building consents and the difference in floorspace utilisation, since 2019 there has been a reduction in the amount of commercial and industrial floorspace consents in the district. In 2019 consents of commercial and industrial floorspace peaked at almost 85,000m<sup>2</sup>, which has dropped by more than half reaching just under 38,000m<sup>2</sup> of floorspace in 2021<sup>16</sup>.

The amount of consented commercial floorspace has dropped significantly over the last two years, from 9,000m<sup>2</sup> in 2019 to 7,000m<sup>2</sup> in 2020 and further to 2,000m<sup>2</sup> in 2021 (shown in [Figure 2](#)), however the data shows that the nature of the supply is volatile. Since 2019, the amount of commercial floorspace that has been consented in Selwyn has averaged at 4,400m<sup>2</sup> per annum which is higher than the historical average but lower than the recent peak in 2016.

Figure 2: Selwyn District Commercial Floorspace Consents 2000 to 2021 (Year End August)



The consents for commercial floorspace can be compared to the economic forecasts for Business 1 zone, which estimated a development rate of 9,000m<sup>2</sup> per annum. This suggests that actual development in the Business 1 zone was slower than what was expected in the 2019 based forecasts. However, as noted above the impacts of the pandemic and the lag between household growth and

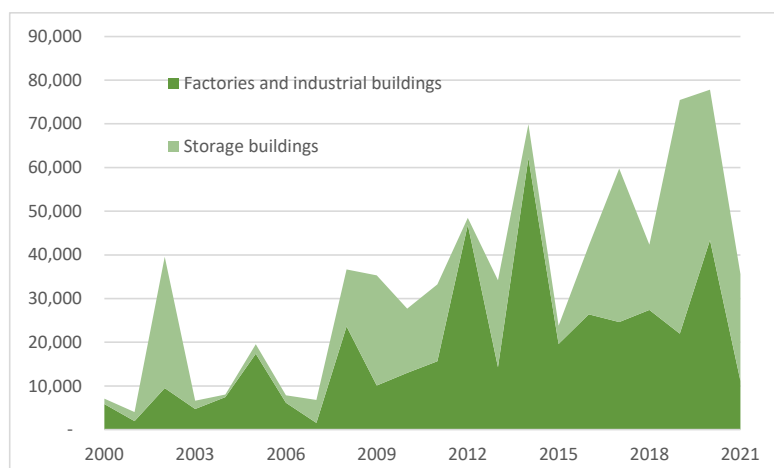
<sup>16</sup> Statistics New Zealand (2021) Non-residential building consents – August.



economic growth may mean that some demand may eventuate in the coming few years, with additional demand for commercial floorspace. Also, the large amount of new commercial space developed in the 2016-2018 period may have spare capacity to accommodate some demands in the coming years. There has also been a resource consent application for a large format food retail store of almost 14,000m<sup>2</sup> in the Iport area, which is expected to be the first Costco in the South Island.<sup>17</sup>

The amount of consented factories, industrial, and storage floorspace has also declined over the last two years, from 76,000m<sup>2</sup> consented in 2019 to 36,000m<sup>2</sup> in 2021 (shown in [Figure 3](#)), however the data shows that the nature of the supply is volatile. Since 2019, the amount of industrial floorspace that has been consented in Selwyn has averaged 57,000m<sup>2</sup> per annum. While consents have been declining, a large share of the space has been for storage which tends to have a lower utilisation (i.e. less employees than factories or other industrial). The amount of storage space in the district has increased significantly since 2019.

Figure 3: Selwyn District Industrial Floorspace Consents 2000 to 2021 (Year End August)



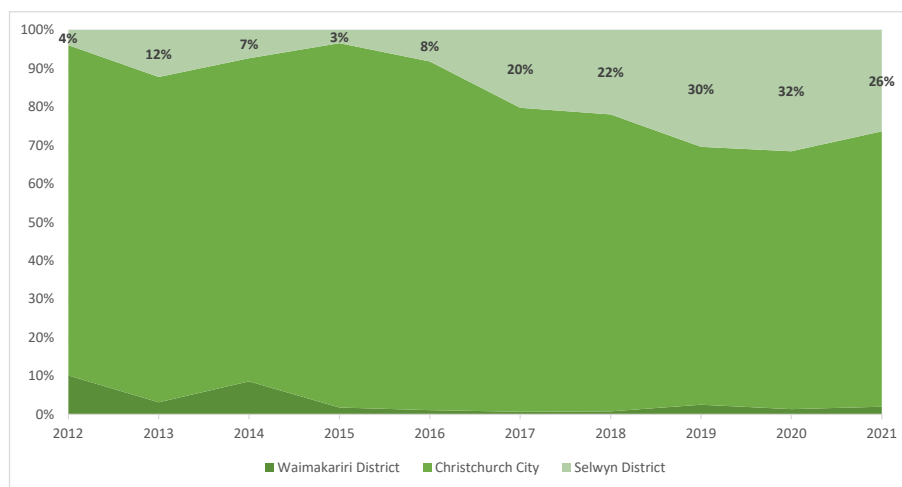
The consents for industrial floorspace can be compared to the economic forecasts for the Business 2 zone, which forecast a development rate of 23,000m<sup>2</sup> per annum. This suggests that actual development in the Business 2 zone was much faster than what was expected in the 2019 based forecasts. Much of the growth in floorspace demand has been related to storage space activities. Since 2015 the storage space consented in the District has increased substantially, from less than 10% of storage floorspace consented in the Greater Christchurch area to around a third in 2019 and 2020.

<sup>17</sup> Rhodes R (2021) Supermarket competition: Consent for Costco megastore outside Christchurch granted – Stuff 9<sup>th</sup> December.



The district has recently attracted two inland ports to the Rolleston industrial area - Metroport opened in 2015 (operated by Port of Timaru and Port of Tauranga) and MidlandPort opened in 2016 (operated by Lyttleton Port). Inland ports are relatively rare facilities within the New Zealand context, there being only a handful in the North Island and no other inland ports in the South Island. The fact that SDC has attracted two inland ports is likely to be an important driver behind the additional storage space that has been consented in the District. The role of these strategic facilities may continue to drive more demand for land in the District, which has not been accounted for in the forecasts. The council has commissioned separate research to establish the role of these strategic assets.<sup>18</sup>

Figure 4: Greater Christchurch Storage Floorspace Consents 2012 to 2021



Over the last decade, approximately 190,000m<sup>2</sup> of factories, industrial, and storage floorspace has been consented in the GCP area, which would be equivalent to around 40 hectares of industrial land per annum. Of this regional demand around a quarter has located in Selwyn, which is around 10 hectares per annum.

#### Local Business Land Data

For this memo, I have drawn on locally datasets to provide an understanding of the current land and building space within the district, which included SDC's business land field survey, and data held by Rolleston Industrial Holdings Limited and Rolleston Square Limited. I have also undertaken a field trip to Rolleston to establish the number of vacancies in the commercial and industrial buildings.<sup>19</sup>

<sup>18</sup> Formative (2021) Rolleston Inland Ports Economic Role.

<sup>19</sup> Field trip occurred on 17<sup>th</sup> December 2021.





First, the Council has provided data from the business land survey, which was a field survey of the commercial parcels in Lincoln, Rolleston, Prebbleton and West Melton, along with the industrial parcels in Rolleston.<sup>20</sup> The fieldwork was conducted in the summer of 2021.

The survey records land and building use in terms of three broad categories:

- ❖ **Occupied:** which is land or buildings that are currently used for business activities.
- ❖ **Unoccupied:** which is land or buildings that are not currently used for business activities.
- ❖ **Empty:** the land which has no building or apparent business activities.

The survey also records the occupant's activity, which is recorded as one of nine types of commercial activities (types of retail, services and community) that is mostly located in the Business 1 zone and industrial activity which is all located in the Business 2 zone.

While the field survey does not cover all of the business land in the District, it does cover the key areas that are zoned for urban business activities. The field survey shows that there are low levels of unoccupied premises in the District, with a vacancy rate of approximately 5% of built space for both commercial and industrial zones. I consider that the field survey shows that there may be an undersupply of commercial premises in the District. The current situation indicates that there may not be a range of vacant space to enable new businesses to enter the District. My field trip confirmed that there are only a few commercial tenancies that are vacant in Rolleston, five small tenancies in Rolleston Square and two in Stonebrook neighbourhood centre.

The council field survey also shows that there is a limited supply of vacant land in the existing commercial zone, with less than a hectare of privately held Business 1 land being recorded as vacant. This amount of land would enable at least 4,500m<sup>2</sup> of floorspace to be developed. Compared to the recent level of building consents (4,400m<sup>2</sup> per annum), this amount of vacant land would accommodate around a year of floorspace supply.

However, the survey does not include all the land where development for commercial activity is enabled. There is a considerable capacity for commercial activity at the proposed Rolleston Fields site, Council land on Norman Kirk Drive, some of the land in the Business 2A zone, new neighbourhood centres and potential redevelopment of existing sites within the Key Activity Centres. I cover these aspects in the next section.

In terms of industrial land, the area surveyed shows over 65 hectares of vacant Business 2 land in Rolleston. This amount of land would enable at least 300,000m<sup>2</sup> of floorspace to be developed.

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<sup>20</sup> The survey did not include council held Business 1 land in Rolleston.



Compared to the recent level of building consents (56,000m<sup>2</sup> per annum), this amount of vacant land would accommodate more than half a decade of floorspace supply.

However, the vacant land in the survey does not include all the land where development for industrial activity is enabled. There is a considerable capacity for industrial activity in the remainder of the district (Lincoln, Darfield, etc) and recently zoned areas in Rolleston. I cover these aspects in the next section.

The Council also survey business opinion, which was last conducted in August 2021.<sup>21</sup> The Survey has been designed to help understand current and future business trading conditions at a local Selwyn level. The overarching message from the survey respondents is that business confidence is high, with profits, employment and investment all increased over the past year and also expected to increase in the coming 6 months. The businesses in Selwyn are performing better than the national average. However, there are cost pressures, challenges finding labour and supply disruptions from Covid19. Also, several respondents reported that the availability of commercial space in Rolleston has become rather limited, which has pushed up lease costs.

I have also engaged with two major landholders, Rolleston Industrial Holdings Limited (major holder of industrial land) and Rolleston Square Limited (major holder of commercial land). These two landholders have provided information that indicates that business activity has increased, with new tenants entering and developing business land in the district. Most significantly with regard to the industrial land.

In terms, of commercial land the landholders consider that the following issues are important:

- ❖ The length of time that tenancies have remained vacant has been relatively long, with some applications being speculative or non-viable businesses.
- ❖ The recent scale of growth in households has not materialised in new tenancy being let, and there is spare capacity to serve most of the new demands within existing business operations.
- ❖ Online retail has been growing, with Covid19 accelerating the change and it is considered that online retail will not revert to post 2020 levels.
- ❖ Some tenants are looking to downsize, especially food and hospitality. There may be a change in consumer behaviour with less eating out and more takeaways.
- ❖ The rentals rates for leases have not increased significantly, with rates increasing at less than inflation.

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<sup>21</sup> Infometrics (2021) Selwyn Business Opinion Survey – August 2021.



- ❖ There has been an increase in people working from home, however this has not resulted in a significant change in spending patterns.
- ❖ Housing Supply Bill may impact the chance of the land in the KAC being redeveloped for commercial, as residential may compete for space.
- ❖ There is limited demand for new major retailers to locate in the district, with most brands being located in Rolleston.
- ❖ There has been little to no demand for office space, with very few tenants looking for this space and ones that are looking have been price sensitive. There may be demand in the future.
- ❖ There is demand from large format retailers, however development will occur to match the timeline associated with planned flyover which is potential to be built in 2026.

In terms, of industrial land the landholder considered that the following issues are important:

- ❖ The inland ports and transport network is generating demand for low employment/bulk industrial activities to locate in Rolleston. The demand has increased, and they consider that there is sufficient demand to enable 40 hectares per annum to be sold.
- ❖ Most demand is driven by businesses that want to supply local demands (approx. half), the demand by regional businesses is lumpy but large, and the demand for export/import businesses that want to locate near the inland ports is consistent.
- ❖ Most industrial land in Rolleston and the wider GCP has been sold or has conditions (i.e. must use seller to build on the site), so is not available for other new entrants. The price of the remaining land has increased from \$200m<sup>2</sup> to \$350m<sup>2</sup> and there are very few lots of land available at 3 hectares or more.
- ❖ There is real estate research that shows that there has been significant demand for industrial land in GCP. There are very low vacancy rates (less than 1%), and lease rents have been increasing.
- ❖ Most of the demand for industrial land in Rolleston has been in industries that tend to have few employees and large buildings, for example storage, logistics and some manufacturing. The higher intensity industrial activity tends to locate in Christchurch, Hornby. Also, there is little demand for industrial in Waimakariri.
- ❖ The impact of covid19 on global logistics means that there is potential for more demand for local storage. First, the congestion and delays in the global shipping network have meant that just-in-time logistics is no longer providing sufficient supply to meet demands. Also, there has been a substantial growth in the amount of online shopping, which means that retailers have started to use distribution centres to serve the extra demands. It may



be that businesses demand greater storage to ensure that there is sufficient stock held locally and to allow them to pick/pack online orders.

The local data and stakeholder engagement indicates that there is a limited supply of both commercial and industrial land in the District. However, in terms of commercial land, there is capacity within the existing tenancies to handle some of the growing demands and large format can be accommodated in the IRetail area once the flyover is completed.

While the field survey and the business opinion survey indicate that there is a limited number of vacant premises, our discussion with the major landholders suggests that some tenants may be looking to downsize and that tenancy rentals have not increased markedly.

The Council is aware of these issues and has been actively planning to enable more supply, this supply is covered in the following section.

### Capacity Update 2021

To update the capacity assessment to 2021, this memo draws from material that the Council has provided on the District Plan review, developments, and private plan changes to establish the recent changes in the supply of commercial and industrial land since 2019.

#### Commercial Capacity

The amount of land zoned for commercial use has increased since 2019. There have been some additions and several proposals, which have resulted in more land and potential built space being available for commercial activity. The following changes have increased the amount of land that can be used for commercial uses:

- ❖ **Rolleston Commercial/industrial:** some of the land in the Business 2A zone can be used for commercial activities, with Ancillary Retail<sup>22</sup>, Large Format Retail<sup>23</sup>, Trade Retail<sup>24</sup>, Food and beverage<sup>25</sup>, service stations and ancillary office. There is an allowance for upwards of 20,000m<sup>2</sup> of commercial space within this zone. In 2018 there was a media release from Carter Group that 11,000m<sup>2</sup> of retail would be developed at the IPort site that is adjacent to State Highway 1 – called IRetail.<sup>26</sup> This development is likely to begin

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<sup>22</sup> On an allotment up to 20% of gross floor area of the building or 2,000m<sup>2</sup>, which is the lesser.

<sup>23</sup> A maximum of 17,000m<sup>2</sup> of gross floor area in total across the Business 2A area.

<sup>24</sup> A maximum of 10,000m<sup>2</sup> of gross floor area in total across the Business 2A area

<sup>25</sup> Food and Beverage outlets up to a gross floor area of 150m<sup>2</sup>, except in Large Format Retail areas which has a maximum of total area of 1000m<sup>2</sup> gross floor area.

<sup>26</sup> Carter Group (2018) Media Statement by Philip Carter – *Stuff More Rolleston growth with new Carter Group shops* – 23<sup>rd</sup> April.



in the coming 5 or so years, which may be enabled by the development of the flyover between the residential part of the town and this industrial area.

- ❖ **Health Hub:** the council has been constructing a two-level building on Norman Kirk Drive which will be used as a health hub. It will comprise a primary birthing unit, plus Canterbury DHB community health services and will sit alongside a General Practice, Pacific Radiology and other community health and social services. The construction was completed in April, however some tenants have yet to occupy the space and there are media reports that some tenancies are yet to let.<sup>27</sup>
- ❖ **Costco Warehouse:** a resource consent application has recently been submitted for a 14,000m<sup>2</sup> building for a food retailing store on a 6-hectare site in Business 2A.
- ❖ **Rolleston Fields:** A recently proposed \$85 million shopping centre will be developed at old domain on Tennyson St, with new eateries, a cinema and a farmers market.<sup>28</sup> Cooper Developments will build Rolleston Fields in four stages, it will include 10,000m<sup>2</sup> of retail space and 1,200m<sup>2</sup> of hospitality space.
- ❖ **Farringdon South East and West (PC64):** is a residential development on the southern edge of Rolleston, which has been approved under the Covid19 Fasttrack and civil works have begun. The two areas include two small commercial centres, with a total of 870m<sup>2</sup> of floorspace included to provide for convenience retail needs of the new neighbourhoods.

The new plan changes have increased supply by upwards of 32,000m<sup>2</sup> of potential commercial space, which suggests a total supply of around 41,000m<sup>2</sup>. Based on existing uptake rates this would enable 10 years of growth to be accommodated within the district. There is also potential for 14,000m<sup>2</sup> Costco to be developed, however this store can be expected to attract customers from beyond the district and to also provide for local demands.

Figure 5: Selwyn District Commercial Land Supply (m<sup>2</sup> floorspace potential on vacant land)

Business 1 - Commercial	Zoned	Plan Change	Total
Rolleston	7,979	32,070	40,049
Lincoln	872	-	872
Other	286	-	286
<b>Total</b>	<b>9,136</b>	<b>32,070</b>	<b>41,206</b>

There are also several other private plan changes that also include areas of commercial land, including applications in Rolleston (PC70, PC73, PC82) and Lincoln (PC69). In total, these applications may

<sup>27</sup> NZ Doctors (2021) GP Tenant still not found for Rolleston Health Hub – 6<sup>th</sup> September.

<sup>28</sup> Tennyson55 (2021) New \$85 million retail and hospitality precinct destined for Rolleston (April 9<sup>th</sup>).



include upwards of 5,000m<sup>2</sup> of floorspace across six small commercial centres. Including this additional potential supply suggests, that there may still be a shortage in the coming decade.

The SCGM2019 suggested that a shortage may eventuate in the long term. Based on the latest information and the unprecedented growth that has been attracted to Selwyn there is a risk that supply may become tight within the coming decade.

### Industrial Capacity

The amount of land zoned for industrial use has increased significantly since 2019. The following changes have increased the amount of land that can be used for industrial uses:

- ❖ **Darfield East (PC61):** rezoning approximately 30 hectares of rural land to residential and industrial land. This would enable approximately 35 residential sites and an industrial zone of approximately 10 hectares.
- ❖ **North Iport (PC66):** Rolleston Industrial Developments Limited lodged a private plan change request with Council, seeking to change rezone approximately 27 hectares of rural land to the industrial zone. This plan change has been recommended for approval and will be going to Council in the coming weeks and is likely to be available for development.

In total the existing supply of over 65 hectares in Rolleston, approximately 11 hectares in Lincoln and 30 hectares in Darfield, gives a supply of over 115 hectares. The new plan changes (61 and 66) have increased supply by 37 hectares, which suggests a total supply of just over 150 hectares.

Based on existing uptake rates this would enable 11 years of growth to be accommodated within the district (at 13 ha per annum). If no additional industrial land was provided, then there could be a risk of a shortage in the long run. The SCGM2019 suggested that a shortage would not eventuate in long run, growth has been much faster than expected which means that the situation has changed.

Figure 6: Selwyn District Industrial Land Supply (hectares of vacant land)

Business 2 - Industrial	Zoned	Plan Change	Total
Rolleston	65	27	92
Lincoln	14	0	14
Darfield	36	10	46
Other	3	0	3
<b>Total</b>	<b>118</b>	<b>37</b>	<b>155</b>

However, there is a further 100 hectares of land within the infrastructure boundary that could be rezoned for future industrial activity. Also, Private Plan Change 80 is proposing to provide an additional 80 hectares of Business 2 land in Rolleston. While neither of these areas is available for development today if demand continues to grow at the current rate these areas may be rezoned in the medium or



long term. Based on existing uptake rates this would enable around 25 years of growth to be accommodated within the district.

## Conclusion

I consider that since 2019 there have been several changes that have meant that business land supply and demand has shifted significantly in the district. Most importantly is the unprecedented growth in the local population which is driving demand for more business land within District. Also of significant importance is the role of the inland ports, which have attracted regional and national operations to Rolleston which has resulted in a shift in the nature of the demand for business land. Finally, the effects of the global pandemic and several lockdowns, are also likely to have impacted the scale, timing and nature of the types of growth that occurred and maybe be expected to occur, since 2019.

The assessment of the economic growth, building consents and land use data suggests that there has been an increase in demand for business land in the district. While there have been some policy changes that have increased the supply of business land, it is apparent that if the level of growth continues that there could still be shortages of land supply for both commercial (medium-term) and industrial (long term). While it is considered unlikely that the record levels of growth will continue for the coming decades, there is a possibility that this could occur.

Therefore, I consider that it would be prudent for the council to begin planning for more commercial supply. Also, the council held land on Norman Kirk Drive will be a strategic opportunity for providing adequate supply in the coming decades. If this land is used more intensively than existing developments, then much more economic activity could be accommodated in this area.

Also, there is a possibility that the intensification changes adopted in the recently passed Housing Supply Amendment (HSA) of the RMA could result in residential intensification occurring in the KAC, which may reduce development potential in the commercial zones. I consider that the council could include a requirement that a share of the ground floor in the KAC must be used for commercial activities. This would allow residential to be accommodated on the upper floors while protecting the ability for the commercial activity to operate on the ground floor. Also, the HSA could result in increased development potential, with height limits prescribed in Medium Density Residential Standards (MRDS)<sup>29</sup> being higher than the heights allowed in the commercial zones of the Operative District Plan or Proposed District Plan.<sup>30</sup> The HSA requires councils to consider additional

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<sup>29</sup> The MRDS allows buildings to reach 12 metres, which is 10 metres for the building plus up to 2 metres for the roof.

<sup>30</sup> The heights in the commercial zone range from 10 metres to 15 metres in the operative District Plan and proposed District Plan.



intensification in the commercial zones under 3(d), which could result in heights that exceed the OPD/PDP and the MRDS.<sup>31</sup>

Also, while less pressing, it would be prudent for the council to begin planning for more industrial supply. If demand tracks at the current high rate (13ha per annum), then it would be beneficial to have additional supply to ensure that the economic activity can be accommodated. The land within the infrastructure boundary may be needed in the coming decade or so.

The need for land to enable the inland ports to operate efficiently is also an important issue, which was researched in a separate study.<sup>32</sup> This research assessed the demand for industrial land in Selwyn District and Rolleston. It found that the inland ports are important regional infrastructure that can be expected to drive more demand for industrial land in the future. If current trends in trade growth continue then the inland ports would be expected to substantially increase the amount of industrial land that is required in the district. If the inland ports continue to grow at current rates there could be additional demand for between 5 hectares (local environs) and 8 hectares (total economic role) of additional industrial land per annum.

This would mean a total demand of between 19 to 21 hectares per annum, which would mean that current and planned supply would be sufficient to allow for between 16 and 18 years of growth. It would be prudent for the council to begin planning for more industrial supply. However, it is acknowledged that there is a low probability of growth continuing at these high levels for the coming decades and that the NPSUD only requires councils to plan for the “most likely” outcome. While there is a low chance of total demand being maintained at 19 to 21 hectares per annum for long periods, it is still a possibility that the Council should be aware of.

Also, the Council is required under the NPSUD to provide for 30 years of demand, plus a margin of 15%. To meet this requirement the Council would need to plan for between 650 to 730 hectares of supply, which is almost double the existing planned supply.

If demand for industrial land tracks at the current high rate and the role of the inland ports continues to grow, then it would be beneficial for the Council to provide additional supply to ensure that the economic activity can be accommodated. Specifically, the land within the infrastructure boundary may be needed in the coming decade or so.

Finally, we note that there is potential capacity within the industrial and commercial properties to allow for more floorspace to be developed. This potential capacity was estimated in the SCGM2019, which was called vacant potential. This memo has focused on the capacity of the vacant land, we

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<sup>31</sup> Formative (2021) Intensification Housing Policy 3 Framework – memo.

<sup>32</sup> Formative (2021) Economic Role of Rolleston Inland Ports





provide further information about the vacant potential in Appendix A. As discussed above, the intensification requirements under the HSA could increase the vacant potential even further, at least in the commercial zones. Also, Appendix B presents an assessment of maximum demand projection, as compared to the capacity. This assessment is not a requirement of the NPSUD<sup>33</sup>, however it provides the council with an understanding of the potential outcome if recent high levels of demand continue in the future.

In conclusion, we consider that demand for industrial land should be measured in terms of the high economic forecasts, plus an allowance for demand associated with the inland ports. We suggest using the local environs demand from the inland port research, which when combined with the competitiveness margin (as required in the NPSUD) will ensure that the resulting target would be conservative. Specifically, we consider that it is likely that this target would be sufficiently high to encompass most potential outcomes for the industrial land market. The demand target would then be as follows.

- ❖ Short-term: a target of 35.7ha, which would be just under 12ha per annum.<sup>34</sup>
- ❖ Medium-term: a target of 101ha, which would be just under 10ha per annum.<sup>35</sup>
- ❖ Long-term: a target of 273.4ha, which would be just under 8.6ha per annum.<sup>36</sup>

Comparing these targets to the supply (Figure 6) indicate that there is sufficient supply to meet the demand for the short and medium terms. The capacity would not meet the long term target, however this situation is unlikely to eventuate for the coming decade or more, which means that the Council can begin to plan for more supply and continue to monitor the situation.

Rodney Yeoman

Director

m 021 118 8002  
e rodney@formative.co.nz  
w www.formative.co.nz

<sup>33</sup> The Council needs to plan for the “most likely” demand, plus a competitive margin. We consider that the maximum demand projection is unlikely to be achieved, especially in the long run.

<sup>34</sup> Short-term target is derived by the summation of high forecasts (13.1ha) plus three years of inland port growth (16.7ha), and 20% competitive margin (5.9ha).

<sup>35</sup> Medium-term target is derived by the summation of high forecasts (28.7ha) plus ten years of inland port growth (55.5ha), and 20% competitive margin (16.8ha).

<sup>36</sup> Long-term target is derived by the summation of high forecasts (71.3ha) plus thirty years of inland port growth (166.5ha), and 15% competitive margin (35.7ha).



## Appendix A – Vacant and Vacant Potential Capacity

The following appendix presents the capacity for the main urban areas in the District, Rolleston, Lincoln and Other (Prebbleton and Darfield). The capacity includes both land that is vacant and land that has potential for additional development – vacant potential.

First, the commercial land supply in the main urban areas could enable approximately 9,000m<sup>2</sup> of floorspace on zoned vacant land, 32,000m<sup>2</sup> on the newly adopted plan change land, a further 5,800m<sup>2</sup> in proposed plan changes, and vacant potential of 27,000m<sup>2</sup>, which is a total of 74,000m<sup>2</sup>. Relative to the uptake that is discussed in the memo above of 4,000m<sup>2</sup> per annum, this supply could support approximately 17 years of growth.

While there have been some policy changes that have increased the supply of commercial business land, it is apparent that if the level of growth continues that there could still be shortages of land supply. Specifically, even if all vacant and vacant potential capacity is utilised there may be a shortage in the long term (i.e. by around 2038). This compares to the SCGM2019 which suggested that supply could be exhausted by 2043.

Figure 7: Selwyn District Commercial Land Supply (m<sup>2</sup> floorspace potential, vacant and vacant potential)

Business 1 - Commercial	Vacant			Vacant Potential	Total
	Zoned	Plan Change	Proposed		
Rolleston	7,978.7	32,070	5,800	13,182	59,031
Lincoln	871.6	-	-	3,417	4,288
Other (Prebbleton and Darfield)	285.6	-	-	10,818	11,104
<b>Total</b>	<b>9,136</b>	<b>32,070</b>	<b>5,800</b>	<b>27,417</b>	<b>74,423</b>

Second, the industrial land supply in the main urban areas has approximately 155 hectares of vacant land (115 hectares zoned and 37 hectares in recent plan changes), 183 hectares in proposed plan changes and the equivalent of 37 hectares of vacant potential land, which is a total of 372 hectares. Relative to the uptake that is discussed in the memo above of 13 hectares per annum, this supply could support approximately 28 years of growth.

However, if the inland ports continue to grow at current rates there could be additional demand for between 5 hectares (local environs) and 8 hectares (total economic role) of additional industrial land per annum. This would mean a total demand of between 19 to 21 hectares per annum, which would mean that current and planned supply would be sufficient to allow for between 18 and 20 years of growth.

While there have been some policy changes that have increased the supply of industrial business land, it is apparent that if the level of growth continues that there could still be shortages of land supply. Specifically, even if all vacant and vacant potential capacity is utilised there may be a shortage in the



long term (i.e. by around 2049 and if the inland port growth continues then earlier at 2041). This compares to the SCGM2019 which suggested that supply may not be exhausted until after 2053.

Figure 8: Selwyn District Industrial Land Supply (hectares of land, vacant and vacant potential)

Business 2 - Industrial	Vacant			Vacant Potential	Total
	Zoned	Plan Change	Proposed		
Rolleston	65	27	183	29	304
Lincoln	14	0	0	-	14
Other (Prebbleton and Darfield)	36	10	0	8	54
<b>Total</b>	<b>115</b>	<b>37</b>	<b>183</b>	<b>37</b>	<b>372</b>

## Appendix B – Medium and Long term Capacity and Maximum Demand

The NPSUD requires councils to assess business land in the context of the “most likely” growth outlook and then add a competitiveness margin (s3.22). For Selwyn District, this “most likely” growth outlook had been set as a ~~medium~~-high level. That is, the business land assessment used a growth outlook that is higher than the medium-~~high~~ point (i.e. higher than “most likely”). As discussed in the memo, even this conservative stance of using a faster growth scenario than most likely has been proven to be too conservative. The District has been grown at exceedingly high rates, beyond all reasonable expectations and even in the face of the waves of the Covid19 pandemic.

For the assessment in this Appendix, we have adopted a “maximum demand projection” for Selwyn District. This is a projection of the high demand which has been observed over the last three years. While there is a possibility that the high demand could continue in the future, we do not think that there is a high chance of this occurring and that this is projection **should not be thought of as the “most likely” outcome**. Therefore, we have not included a competitiveness margin in the following discussion as this requirement relates to the “most likely” and not the maximum demand projection.

The following figures compare the capacity supply in the medium and long term, for the commercial and the industrial land to the maximum demand projection.

This comparison shows that for commercial that there is not expected to be enough capacity in the medium term or long term. The medium-term capacity of over 41,000m<sup>2</sup>, which includes zoned, recent and plan changes, may not be sufficient to meet the recent demand of almost 44,000m<sup>2</sup> or the forecast demand (plus competitive margin) of ~~408126~~,000m<sup>2</sup>. Also, in the long term, the supply of 74,000m<sup>2</sup> is expected to be lower than the recent demand by 56,000m<sup>2</sup>.



Figure 9: Selwyn District Commercial Floorspace Supply and Demand (m<sup>2</sup> floorspace)

COMMERCIAL Medium Term	Capacity*	Demand		Surplus / Shortfall
		High	Recent	
Rolleston	40,049	126,433	43,675	-85227 to -2469
Lincoln	872			
Other	286			
<b>Selwyn</b>	<b>41,206</b>			

\*Currently zoned, Plan Changes and Council Proposed

COMMERCIAL Long Term	Capacity**	Demand		Surplus / Shortfall
		High	Recent	
Rolleston	59,031	277,424	131,025	-203001 to -56602
Lincoln	4,288			
Other	11,104			
<b>Selwyn</b>	<b>74,423</b>			

\*\*Includes proposed Plan change and vacant potential

This comparison shows that for industrial that there may not be enough capacity in the medium term or long term. The medium-term capacity of over 152 hectares, which includes zoned and recent plan changes, may not be sufficient to meet the recent demand of almost 211 hectares but would be sufficient to meet the ~~Medium~~-High scenario of ~~122-127~~ hectares<sup>37</sup>. This implies that the proposed industrial land may be required at the end of the medium-term if demand continues at the current high rates. Also, in the long term, the supply of 292 hectares could be lower than the recent demand of 634 hectares. However, we consider that this issue will not eventuate for a decade or more, at the earliest, and that the Council will have time to monitor and plan for this outcome if it eventuates. However, the High scenario also indicates that supply may not be sufficient to meet the needs in the later part of the long term.

**Commented [BB1]:** Any chance we can break down demand to Township?

<sup>37</sup> The medium-high scenario is the High demand from the 2019 economic forecasts plus the demand from the Inland Port Study 2021, with competitiveness margin from the NPSUD (20% in medium term and 15% long term).



Figure 10: Selwyn District Industrial Land Supply and Demand (hectares of vacant land)

INDUSTRIAL Medium Term	Capacity*	Demand		Surplus / Shortfall
		High	Recent	
Rolleston	92	127	211	25 to -59
Lincoln	14			
Other	46			
<b>Selwyn</b>	<b>152</b>			

\*Currently zoned, Plan Changes and Council Proposed

INDUSTRIAL Long Term	Capacity*	Demand		Surplus / Shortfall
		High	Recent	
Rolleston	224	348	634	-56 to -342
Lincoln	14			
Other	54			
<b>Selwyn</b>	<b>292</b>			

\*\*Includes vacant potential, future industrial land within the PIB, excludes proposed Private PC80

Include the following tables:

<u>Commercial</u>	<u>Short</u>	<u>Medium</u>	<u>Long</u>
<u>Retail (jobs)</u>	<u>311</u>	<u>648</u>	<u>1,543</u>
<u>Commercial Services (jobs)</u>	<u>835</u>	<u>1,736</u>	<u>4,088</u>
<u>Non-Retail Community (jobs)</u>	<u>827</u>	<u>1,652</u>	<u>3,945</u>
<u>Total Retail / Commercial Service / Community Requirement (jobs)</u>	<u>1,973</u>	<u>4,036</u>	<u>9,576</u>
<u>Likely Workspace Requirement (sqm)</u>	<u>29,130</u>	<u>90,352</u>	<u>196,120</u>
<u>Likely Land Requirement (ha)</u>	<u>7</u>	<u>20</u>	<u>44</u>
<u>Likely Land Requirement (ha) with competitiveness margin</u>	<u>7.8</u>	<u>24</u>	<u>50</u>

<u>Industrial</u>	<u>Short</u>	<u>Medium</u>	<u>Long</u>
<u>Employment</u>	<u>977</u>	<u>2,470</u>	<u>6,121</u>
<u>Associated demand for space (m<sup>2</sup>)</u>	<u>131,740</u>	<u>374,836</u>	<u>1,052,095</u>
<u>Annual new floor space demand (m<sup>2</sup>)</u>	<u>43,913</u>	<u>37,484</u>	<u>35,070</u>
<u>Cumulative land requirement (ha)</u>	<u>28.0</u>	<u>79.8</u>	<u>224.0</u>
<u>Likely total land requirement with competitiveness Margin</u>	<u>33.7</u>	<u>95.8</u>	<u>261.6</u>

Commented [BB2]: Any chance we can break down demand to Township?

**APPENDIX 3**

# National Policy Statement for Highly Productive Land

Section 32 evaluation report under the Resource Management Act



Ministry for the  
**Environment**  
*Manatū Mō Te Taiao*

Ministry for Primary Industries  
Manatū Ahu Matua



**Te Kāwanatanga o Aotearoa**  
New Zealand Government

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## Urban rezoning restricted on HPL (Policy 5 and clause 3.6)

### *Provisions being assessed*

The provisions being assessed in this section relating to restricting 'urban rezoning'<sup>51</sup> on HPL are Policy 5 and clause 3.6 as follows:

**Policy 5:** The urban rezoning of highly productive land is avoided, except as provided in this National Policy Statement.

#### **Clause 3.6 Restricting highly productive land from urban rezoning**

- 1) Tier 1 and 2 territorial authorities may allow urban rezoning of highly productive land only if:
  - (a) the urban rezoning is required to provide sufficient development capacity to meet demand for housing or business land to give effect to the National Policy Statement on Urban Development 2020; and
  - (b) there are no other reasonably practicable and feasible options for providing at least sufficient development capacity within the same locality and market while achieving a well-functioning urban environment; and
  - (c) the environmental, social, cultural and economic benefits of rezoning outweigh the long-term environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.
- 2) In order to meet the requirements of subclause (1)(b), the territorial authority must consider a range of reasonably practicable options for providing the required development capacity, including:
  - (a) greater intensification in existing urban areas; and
  - (b) rezoning of land that is not highly productive land as urban; and
  - (c) rezoning different highly productive land that has a relatively lower productive capacity.
- 3) In subclause (1)(b), development capacity is **within the same locality and market** if it:
  - (a) is in or close to a location where a need for additional development capacity has been identified through a Housing and Business Assessment (or some equivalent document) in accordance with the National Policy Statement on Urban Development; and
  - (b) is for a market for the types of dwelling or business land that the additional development capacity is required for (as determined by a Housing and Business Assessment in accordance with the National Policy Statement on Urban Development 2020).
- 4) Territorial authorities that are not Tier 1 or 2 may allow urban rezoning of highly productive land only if:
  - (a) the urban zoning is required to provide sufficient development capacity to meet expected demand for housing or business land in the district; and
  - (b) there are no other reasonably practicable and feasible options for providing the required development capacity; and

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<sup>51</sup> Urban rezoning is defined in the NPS-HPL as changing from a rural zone to an urban zone.

- (c) the environmental, social, cultural and economic benefits of rezoning outweigh the long-term environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.
- 5) Territorial authorities must take measures to ensure that the spatial extent of any urban zone covering highly productive land is the minimum necessary to provide the required development capacity while achieving a well-functioning urban environment.

### *Intent of the provisions*

Urban rezoning into HPL is one of the key issues the NPS-HPL seeks to manage more effectively due to the ongoing, permanent loss of New Zealand's most productive land to urban use. Achieving the right level of protection from urban rezoning through the NPS-HPL has been a key focus in policy development given the potential conflict with Government objectives for housing and the specific requirements in the NPS-UD to provide 'sufficient development capacity'<sup>52</sup> and achieve competitive land markets. It also reflects the fact that many of New Zealand's urban areas are largely or completely surrounded by HPL and/or are limited in the extent to which HPL can be avoided due to other constraints such as hazards.

The intent of Policy 5 and clause 3.6 of the NPS-HPL is not to provide absolute protection of HPL from urban rezoning. Rather the intent is to provide clear direction that urban rezoning should generally avoid HPL where there are other options to provide development capacity to meet demand and achieve good urban outcomes, and to ensure there is a robust consideration of costs, benefits and trade-offs when urban rezoning is proposed on HPL.

Feedback from submitters on the proposed NPS-HPL reinforced the need for the NPS-HPL to provide some degree of flexibility to allow for urban rezoning onto HPL in certain circumstances. However, there were also requests to clarify and strengthen the tests to ensure the NPS-HPL does not lead to a continuation of the status quo. There was also strong feedback that the NPS-HPL and NPS-UD need to align to ensure there is no conflict when councils give effect to these instruments alongside each other. As such, the NPS-HPL urban rezoning provisions have been refined to clarify the circumstances where urban rezoning can occur on HPL and to ensure alignment with key requirements in the NPS-UD.

Effectively, clause 3.6 of the NPS-HPL prescribes three tests that need to be met before Tier 1 and Tier 2 local authorities can propose urban rezoning of HPL:

- **Clause 3.6(1)(a) – must give effect to the NPS-UD.** This test is required to ensure HPL is only considered for potential urban rezoning if it is needed to give effect to the NPS-UD. HPL should not be considered for urban rezoning in any other circumstance and this test aims to prevent HPL being rezoned for urban use before it is necessary to meet the 'sufficient development capacity' test (as described below). If an urban rezoning proposal cannot demonstrate it is needed to give effect to the NPS-UD then it should not be supported under clause 3.6 of the NPS-HPL.

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<sup>52</sup> This term is defined in clauses 3.2 and 3.3 of the NPS-UD. This takes into account whether development capacity is plan-enabled, infrastructure ready, feasible, and reasonably likely to be realised.

- **Clause 3.6(1)(a) – sufficient development capacity.** This clause states that urban rezoning can only occur on HPL when it is required to provide ‘sufficient development capacity’<sup>53</sup> to meet demand for housing or business land. This aligns with the requirements in the NPS-UD to always provide sufficient development capacity<sup>54</sup> and recognises the lead-in time needed for urban development, while also avoiding urban rezoning occurring on HPL well before it is needed. In doing so, this will:
  - ensure HPL on the urban fringe remains available for land-based primary production for as long as possible before it is permanently lost to urban rezoning
  - help to avoid situations where land is rezoned urban (and no longer protected as HPL) and subsequently not seen as necessary or desirable for urban use
  - deter plan changes that are not needed to meet demand for housing and business land.
- **Clauses 3.6(1)(b) and 3.6(2) – reasonably practicable and feasible options.** These clauses require plan change proponents to demonstrate there are no other ‘reasonably practicable and feasible’ options for providing at least sufficient development capacity within the same ‘locality and market’, while achieving a ‘well-functioning urban environment’. The terms used in this clause are important and deliberate.
  - **Reasonably practicable** – this is intended to ensure plan change proponents undertake a genuine and transparent assessment of viable alternative options and locations for the urban rezoning. The term ‘reasonably practicable’ is consistent with the requirement to identify other options under section 32(1)(b)(i) of the RMA.<sup>55</sup> Case law on the term ‘reasonably practicable’ has emphasised this is not absolute but is an objective test that must be considered in relation to the purpose of the requirement and the problems with complying with it so an overall weighing exercise is involved.<sup>56</sup> In practice, this will allow for consideration of other constraints (eg, hazards, natural geographic boundaries) and issues (eg, sensitive or high value receiving environments) in determining whether other options are practicable or not. Although the individual circumstances of the rezoning will dictate the range of reasonably practicable options considered, clause 3.6(2) specifies that territorial authorities must consider greater intensification of urban areas, zoning of non-HPL land as urban and rezoning different HPL with a relatively lower production capacity as urban (ie, rezoning LUC–3 land may be preferable to further losses of LUC–1 or LUC–2 land). Although these three options must be considered, they can be discounted if they are not ‘feasible’ and/or do not achieve a ‘well-functioning urban

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<sup>53</sup> It is expected that the Housing and Business Development Capacity Assessment (HBA) prepared every three years under the NPS-UD will be the key mechanism for identifying the need for additional development capacity in Tier 1 and Tier 2 urban environments. These assessments are required to identify demand for housing and business land in the short, medium and long term, and assess the sufficiency of development capacity to meet that demand for different locations. For other local authorities that are not Tier 1 or Tier 2, clause 3.10 of the NPS-UD still requires an assessment of the sufficiency of development capacity to meet demand and therefore determine whether additional development capacity is required under clause 3.6(4)(a) of the NPS-HPL.

<sup>54</sup> Policy 2 of the NPS-UD.

<sup>55</sup> Section 32 guidance on identifying other reasonably practicable options has emphasised that this should always involve more than one option, but it is not necessary to identify and assess all options in detail. Refer: Ministry for the Environment (2017), *‘A guide to section 32 of the Resource Management Act: Incorporating changes as a result of the Resource Legislation Amendment Act 2017’*, pg.17.

<sup>56</sup> *Royal Forest and Bird Society of New Zealand Incorporated v Whakatane District Council* [2017] NZEnvC 51.

environment’ (as discussed below) – clause 3.6(2) does not mean that if one of the listed options is available the proposed urban rezoning cannot proceed, simply that these three listed options should be considered as reasonably practicable alternatives as part of the overall assessment under clause 3.6.

- **Feasible**<sup>57</sup> – this aligns with the NPS-UD requirements for development capacity to be feasible (ie, commercially viable) and makes it clear that only commercially viable options need to be assessed. In practice, this will enable options to be discounted where these are not commercially viable from a developer’s perspective (eg, areas are too costly to develop due to topography, geotechnical issues etc.).
  - **Locality**<sup>58</sup> and **market**<sup>59</sup> – these terms provide additional guidance as to the scope and type of assessment required under this clause. It makes it clear an exhaustive assessment of all options within a district is not required – rather the assessment of options should focus on whether there are alternative non-HPL areas that could be rezoned urban and provide for at least sufficient development capacity within the same location and market. The NPS-HPL defines these terms with references to assessments of demand and development capacity required for locations under the NPS-UD.
  - **Well-functioning urban environment** – this aligns with Objective 1 and Policy 1 of the NPS-UD that aim for New Zealand to have well-functioning urban environments.<sup>60</sup> In practice, this will allow for consideration of urban form and cohesion, urban design, transport links, sustainability and so on when assessing alternative options to ensure good urban outcomes are achieved. In some cases, the benefits of achieving a well-functioning urban environment may outweigh the benefits of protecting an area of HPL. For example, well-planned outward growth on the urban edge on HPL will generally be preferred over sporadic urban development on non-HPL away from urban centres with less cohesion, accessibility, diversity and so on.
- **Clause 3.6(1)(c) – costs and benefits.** This clause requires plan change proponents to consider whether the environmental, social, cultural and economic *benefits* of the urban rezoning outweigh the environmental, social, cultural and economic *costs* associated with the loss of the HPL for land-based primary production. That assessment must consider both tangible and intangible values, which are particularly important as many of the values associated with the retention of HPL for land-based primary production are intangible and not able (or are inappropriate) to be monetised. The intent is to ensure the longer-term benefits of HPL to future generations are given more consideration when this resource may be permanently lost to urban rezoning and to change the status quo

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<sup>57</sup> Feasible is defined in the NPS-UD as commercially viable to a developer based on current relationship between cost and revenue.

<sup>58</sup> In the NPS-HPL “**Locality** means if it is in or close to a location where a need for additional development capacity has been identified through a housing and business assessment (or some equivalent document) in accordance with the National Policy Statement on Urban Development”.

<sup>59</sup> In the NPS-HPL “**Market** means if it is for a market for the types of dwelling or business land that the additional development capacity is required for (as determined, for a Tier 1, 2, or 3 local authority by a housing and business assessment in accordance with the National Policy Statement on Urban Development 2020)”.

<sup>60</sup> **Well-functioning urban environment** is defined in Policy 1 of the NPS-UD as “urban environments that have good diversity of housing typologies, accessibility, resilient, support reductions in greenhouse gas emissions etc”.

approach to assessing rezoning proposals on HPL, which tends to favour the economic argument supporting urban land-use change.

Overall, the tests and considerations set out in clause 3.6 of the NPS-HPL seek to achieve the right balance between providing flexibility for urban rezoning to occur on HPL when this is needed (to deliver good urban outcomes) while also providing for improved protection of HPL.<sup>61</sup>

Importantly, the considerations and tests in clause 3.6 are consistent with existing strategic growth planning processes and exercises, which generally give some consideration to HPL when identifying areas for future urban growth. For example, council feedback through the CBA was that the tests and considerations in clause 3.6 of the NPS-HPL are consistent with their current practices and are strongly aligned with what is (or would be) carried out through a strategic growth planning exercise.<sup>62</sup>

In understanding the impacts of the NPS-HPL on urban rezoning, it is also important to recognise the significant exemptions provided for in the NPS-HPL for planned urban growth that is already identified for future development at the commencement date (clause 3.5(4)). These provisions effectively allow for planned urban growth that meets short- to medium-term demand for housing or business land to be excluded from the transitional definition of HPL and from the HPL mapping process, thereby significantly limiting the impact of the NPS-HPL on short- to medium-term urban growth, particularly around Tier 1 urban centres. For example, the CBA for the NPS-HPL found that in four of the six case studies, the NPS-HPL is not expected to materially alter the urban growth outcomes currently planned over the next 30 years.<sup>63</sup> This is largely due to the way the NPS-HPL exempts future urban areas and the extent to which the case study councils provide for such growth.

#### *Assessment of efficiency – Policy 5 and clause 3.6*

**Table 6** provides an assessment of the efficiency of Policy 5 and clause 3.6 in achieving the NPS-HPL objective.

**Table 6: Assessment of efficiency – Policy 5 and clause 3.6**

Criteria	Assessment
<b>Administrative efficiency</b>	<p>The provisions are assessed as being administratively efficient as:</p> <ul style="list-style-type: none"><li>• the requirements are strongly aligned with existing considerations and practices councils use when undertaking strategic urban growth planning exercises</li><li>• the provisions are aligned with the requirements in the NPS-UD and there are cross-references to key terms and provisions (eg, sufficient development capacity, feasible). This will help ensure consistent interpretation between these two instruments and help achieve more efficient implementation</li><li>• the provisions ensure the assessment of alternatives is limited to reasonably practicable, commercially viable options within the same locality and market. This ensures the</li></ul>

<sup>61</sup> This finding is consistent with the urban rezoning study undertaken by Market Economics which concluded “The proposed NPS-HPL recognises the need for a practicable approach to urban rezoning planning. This should limit the potential for the NPS-HPL to restrict the urban rezoning process while also improving opportunities to protect HPL where options are available to councils (particularly for longer-term urban planning)”: Refer: Market Economics (2019), ‘Urban Rezoning: Assessment of Potential Policy Impacts – Proposed NPS on Highly Productive Land’, prepared for the Ministry for Primary Industries, pg.11.

<sup>62</sup> Refer section 4 of the CBA for further details.

<sup>63</sup> CBA, pg. 51.

**APPENDIX 4**

















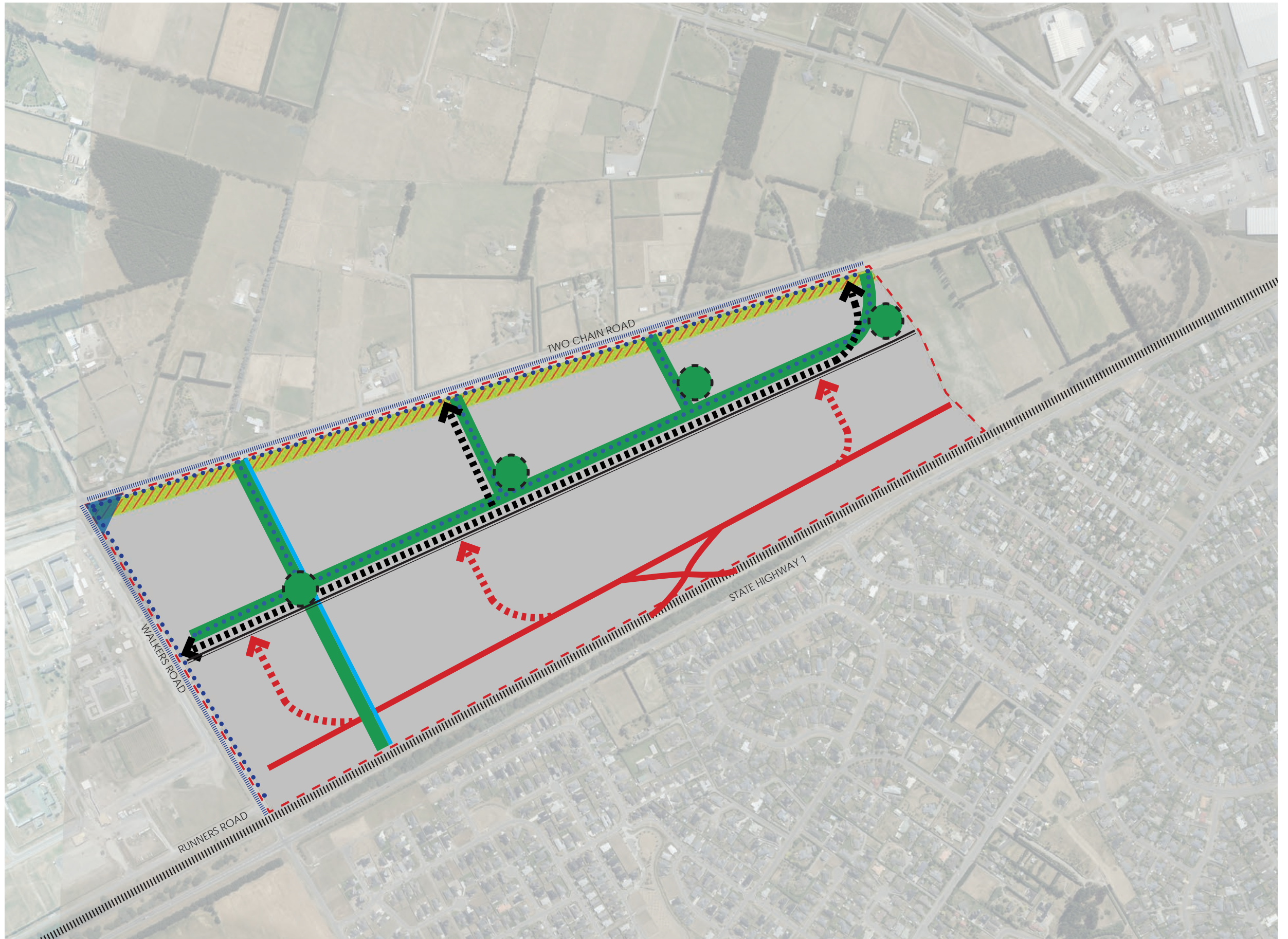


**APPENDIX 5**



### LEGEND

- |   |   |
|---|---|
|    | Outline Development Plan Area   |
|    | Business 2A Zone  |
|    | Retain shelter belt / landscape treatment area 5 / 2.5m high bund / No individual property access |
|    | Indicative Primary Road   |
|    | Indicative Rail Siding Infrastructure   |
|    | Indicative Rail Spurs into Warehouses   |
|    | Extent of Rail Infrastructure (no slidings or spurs to extend beyond this point)                  |
|    | Existing Water Race Retained  |
|    | Extent of Road Frontage Upgrade   |
|    | Shared Pedestrian / Cycle Path  |
|  | Intersection Upgrade (area shown is indicative)   |
|  | Green link  |
|  | Green link including shared pedestrian / cycle path   |
|  | Node including seating and landscaping (area and location indicative)                             |



## A. OUTLINE DEVELOPMENT PLAN - BUSINESS 2A ZONE TWO CHAIN ROAD

URBAN DESIGN, LANDSCAPE AND VISUAL IMPACT ASSESSMENT

## TWO CHAIN ROAD PLAN CHANGE