

**IN THE MATTER OF**

the Resource Management Act 1991

**AND**

**IN THE MATTER OF**

Proposed Variation 2 to the Operative District Plan

**BY**

Foodstuffs (South Island) Properties Limited

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**Summary of evidence of Derek Foy**

**on behalf of Selwyn District Council**

**(Economics)**

**20 March 2025**

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## **1. INTRODUCTION**

- 1.1 My full name is Derek Richard Foy. I am a Director of Formative, an independent consultancy specialising in social, economic and urban form issues. My qualifications and experience are set out in my statement of evidence, date 12 February 2025.
- 1.2 Whilst I acknowledge that this is not an Environment Court hearing, I confirm that I have read and am familiar with the Code of Conduct for Expert Witnesses contained in the Environment Court Consolidated Practice Note 2023. I have complied with the Code of Conduct in preparing this evidence and I agree to comply with it while giving any oral evidence during this hearing. Except where I state that I am relying on the evidence of another person, my evidence is within my area of expertise. I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

## **2. KEY ISSUES**

- 2.1 I was asked by SDC to review the application from an economics perspective. In my evidence I identified that the key issues requiring consideration were:
- (a) The potential retail distribution effects on the Rolleston town centre, and other Selwyn centres, including those arising from food and beverage activities.
  - (b) The need for the requested Large Format Retail Zone (**LFRZ**).
  - (c) Alternative options for providing the types of activities that the PPC seeks to enable in the area subject to the application (the **PPC area**).
  - (d) The potential effect on land use activities located between the PPC area and the Rolleston town centre.
  - (e) The potential effects on the adequacy of residential land supply arising from changing the zoning of the PPC area from residential zoning to Large Format Retail Zone (**LFRZ**).

## **3. CURRENT POSITION ON KEY ISSUES**

- 3.1 I have read the statements of evidence of Fraser Colegrave and Mark Allan (both dated 7 March 2025), and summarise my current opinion on the application from an economics perspective.
- 3.2 On the matter of retail distribution effects, Mr Colegrave and I agree that the proposal will not give rise to any significant retail distribution effects or adversely impact the role and function of the TCZ, or other centres.
- 3.3 I had raised the issue that there was (at the time of my evidence being written) permitted capacity for a substantial presence of food and beverage outlets in the PPC area under

proposed rule LFRZ-R4 PREC13. That was picked up in the Officer's report, which recommended to manage the number of ancillary food and beverage activities on the site, by limiting them to a maximum of two outlets that each have a maximum GFA not exceeding 250m<sup>2</sup> (hence a maximum combined total of 500m<sup>2</sup>).

3.4 I understand from the evidence of Mr Colegrave and Mr Allan that the proponent has accepted those recommended changes to LFRZ-R4.4. Accordingly, I am now satisfied that the potential economic effects of food and beverage activities on the site will be appropriately avoided by that condition.

3.5 Mr Colegrave's evidence confirms the position previously stated (in Insight Economics' assessment provided as Appendix H of the application) in relation to other economics issues. In my evidence I stated that I agreed with the following matters in that Insight Economics assessment, and I continue to agree with them now:

- (a) There is a need for the requested LFRZ.
- (b) While there are some alternative location options for the activity proposed to be enabled on the LFRZ, those alternatives are inferior from a commercial perspective compared to the PPC area, and zoning the whole PPC area as LFRZ would be appropriate, even if there are other places which could feasibly accommodate a Mitre 10.
- (c) The creation of the proposed LFRZ may induce some expansion of commercial activity into the residential area along Masefield Drive, between the PPC area and the town centre. I concluded that such an effect would be minor, and overall the proposal will contribute to a well-functioning urban environment, including because it would avoid urban expansion.
- (d) Applying a LFRZ to the PPC area would not conflict with the intent of CRPS Objective 6.2.1a, and accordingly I agree with Mr Colegrave's conclusion that removing a portion of plan-enabled residential land in this location will have no material effect on the district's overall residential land supply.

3.6 No new economics issues have raised in expert evidence from the submitters.

3.7 Accordingly, subject to the agreed changes to LFRZ-R4.4, in my opinion there are no matters of outstanding matters of concern from an economics perspective.

#### **4. CONCLUSION**

4.1 In my opinion the applicant has adequately assessed the appropriateness of the PPCR area being changed to a LFRZ zoning, and the anticipated economic outcomes are appropriate and are effectively managed by the proposed provisions.

4.2 The PPCR is consistent with the direction and framework of the CRPS, the NPS-UD and the POSDP, insofar as those documents relate to urban growth and relevant economics matters.

4.3        There are a number of positive aspects of the PPC request, and overall I support the PPC request from an economics perspective.

Derek Foy

20 March 2025