

**Appendix 'E'**  
Sec 32 Evaluation

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# **MOLYNEUX LIFESTYLE VILLAGE LTD**

## **Evaluation under Section 32 of the Resource Management Act 1991**

### **Request for a Change to the Operative Central Otago District Plan**

March 2021

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## Contents

1.0	Introduction	3
2.0	Options for Achieving the Objectives of the Request	4
3.0	Evaluation of the Costs & Benefits of the Preferred Options	5
4.0	Evaluation of the Request Against the District Plan's Objectives and Policies	5
4.1	Objectives	6
4.2	Policies	7
5.0	Evaluation of the Request's Methods & Rules	8
6.0	Evaluation of the Request under National Planning Instruments	8
6.1	National Policy Statements	8
6.2	National Environmental Standards	9
7.0	Evaluation of the Request under Regional Planning Instruments	10
7.1	Regional Policy Statement 1998	10
7.2	Partially Operative Regional Policy Statement 2019 (PRPS)	10
8.0	Evaluation of the Request Against the Kai Tahu ki Otago Natural Resource Management Plan (2005)	11
9.0	Evaluation of the Request Against the Otago Southland Regional Land Transport Plan	12
10.0	Evaluation Against the Vincent Spatial Plan (VSP)	12
11.0	Conclusion	12

## 1.0 Introduction

The Request needs to be evaluated in accordance with Sec 32 of the Resource Management Act 1992. Sec 32 states:

*"32 Requirements for preparing and publishing evaluation reports*

- (1) An evaluation report required under this Act must –*
  - (a) Examine the extent to which the objectives of the proposal being evaluated are the most appropriate way to achieve the purpose of this Act; and*
  - (b) Examine whether the provisions in the proposal are the most appropriate way to achieve the objectives by –*
    - (i) Identifying other reasonably practicable options for achieving the objectives; and*
    - (ii) Assessing the efficiency and effectiveness of the provisions in achieving the objectives; and*
    - (iii) Summarising the reasons for deciding on the provisions; and*
  - (c) Contain a level of detail that corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal.*
  
- (2) An assessment under subsection (1)(b)(ii) must –*
  - (a) Identify and assess the benefits and costs of the environmental, economic, social and cultural effects that are anticipated from the implementation of the provisions, including the opportunities for –*
    - (i) Economic growth that are anticipated to be provided or reduced; and*
    - (ii) Employment that are anticipated to be provided or reduced; and*
  - (b) If practicable, quantify the benefits and costs referred to in paragraph (a); and*
  - (c) Assess the risk of action or not acting if there is uncertain or insufficient information about the subject matter of the provisions.*
  
- (3) If the proposal (an amending proposal) will amend a standard, statement, regulation, plan, or change that is already proposed or that already exists (an existing proposal), the examination under subsection (1)(b) must relate to –*
  - (a) the provisions and objectives of the amending proposal; and*
  - (b) the objectives of the existing proposal to the extent that those objectives –*
    - (i) are relevant to the objectives of the amending proposal; and*
    - (ii) would remain if the amending proposal were to take effect..."*

The objectives of the Request are:

- To re-zone the site to provide sufficient "large lot" residential development capacity to satisfy the reasonably foreseeable demand for such housing in the Alexandra area.
- To provide for larger section of sizes to enable choice of housing typologies to cater for changing demographics and market preferences, which is not currently well provided for in the District Plan for the Alexandra area.
- To retain flexibility to respond to changing market place preferences in an efficient manner.
- To provide for a high level of residential amenity and a safe and efficient transport network that integrates well into the existing Alexandra Township.

## 2.0 Options for Achieving the Objectives of the Request

There are a number of options to achieve the objectives of the Request which are outlined and discussed below

Potential Options	Discussion
Do nothing: Retain the Rural-Residential zoning of the site	<p>This option would require resource consents to achieve the objectives of the Request. This creates the following costs:</p> <p>(a) Non-complying subdivision and land use consents would be required to breach almost all of the Rural Resource Area Rules for residential activity.</p> <p>(b) This would create significant transaction costs for applicants and an administrative burden for Council which would be incurred repeatedly and be extremely inefficient for achieving the objectives of the Request.</p> <p>(c) Uncertain outcomes from numerous, public processes.</p> <p>This potential option is not reasonably practical, has already been rejected by Council under a previous resource consent application and will not be considered further in this evaluation.</p>
Await Council District Plan Review	<p>The Central Otago District Plan is due for review and an option may be to await the review and then submit requesting suitable zoning for the site.</p> <p>(a) There is no firm timetable for this review and it is now unlikely to happen given the pending repeal and replacement of the RMA91.</p> <p>(b) Council initiated changes to the Operative District Plan consequent upon the Vincent Spatial Plan may be years away.</p> <p>Given the market circumstances, the pressure on the Alexandra housing market, the Requestor wishes to proceed with its re-zoning proposal now, rather than wait for Council's initiated plan changes.</p> <p>Accordingly, this option will not be considered further in this evaluation.</p>
Request a Private Plan Change that seeks to rezone the site to an existing resource area, subject to modifying the zoning provisions to enable site specific requirements.	<p>This option is potentially efficient as it utilises and modifies an existing resource area (the Residential Resource Area) within the District Plan.</p> <p>This option is reasonably practical and is considered further below.</p>
Request a Private Plan Change to create an entirely new resource area with bespoke planning provisions.	<p>This option is for a "Master planned" form of development</p> <p>This option may have some advantages and is considered further below.</p>

Based on the evaluation above, the potential options that are reasonably practical and worth considering further are:

**Option 1** Request a Private Plan Change to change the zoning of the site to an existing resource area and to modify the zoning provisions (policies and rules) of the resource area to enable site-specific requirements.

**Option 2** Request a Private Plan Change to create a new bespoke resource area.

### 3.0 Evaluation of the Costs & Benefits of the Preferred Options

Option 1:	Re-zone the site with an existing zone (Residential Resource Area)
Benefits	<ul style="list-style-type: none"> <li>* The existing zoning is well understood and can be easily implemented.</li> <li>* Compatible with the existing zoning provisions in the District Plan.</li> <li>* Provides flexibility to respond to changing market and social and economic preferences.</li> <li>* Provides for a range of housing styles and larger lot sizes.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>* Provides less certainty to Council and community as to the outcome of development of the site.</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>* Only minor amendments required to District Plan, therefore less costs to Council and requester.</li> <li>* Avoids over-complicating the District Plan.</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>* Simple and effective method of achieving the objectives of the Request.</li> </ul>
Risk of acting (or not acting)	<ul style="list-style-type: none"> <li>* By not acting, there is the risk that the land ownership would be fragmented by further rural - residential development of the site which would be a lost opportunity to achieve a more efficient and effective use of the land and infrastructure resources. There is no significant risk with proceeding with the Request.</li> </ul>

Option 2:	Re-zone the site with a bespoke zoning
Benefits	<ul style="list-style-type: none"> <li>* Providing some certainty to Council and Community as the outcome of the development of the site, typically by way of a "masterplan".</li> </ul>
Costs	<ul style="list-style-type: none"> <li>* Expensive to implement for both the Council and the Requestors requiring detailed design at the outset.</li> <li>* Does not respond well to changing market preferences and socio-economic conditions which can often require further plan changes, and/or non-complying resource consents to implement.</li> <li>* Users of the plan may be unfamiliar with the bespoke provisions.</li> </ul>
Efficiency	<ul style="list-style-type: none"> <li>* Complex changes required to District Plan.</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>* Can be an effective way of achieving the objectives of the Request.</li> </ul>
Risk of acting (or not acting)	<ul style="list-style-type: none"> <li>* As above.</li> </ul>

On balance, it is considered that the most preferable option is to request a Private Plan Change to change the zoning of the site to the District Plan's existing Residential Resource Area with minor modifications to the rules and objectives to enable site-specific requirements to be met.

### 4.0 Evaluation of the Request Against the District Plan's Objectives and Policies

Sections 6 & 7 of the District Plan has a number of objectives and supporting policies that are relevant to the proposed change:

It is proposed that these existing objectives and policies be retained with only a minor amendment to an existing policy. An evaluation of the Request against these provisions follows.

**4.1 Objectives**

**Obj 6.3.1 Needs of People and Communities**

*To promote the sustainable management of the urban areas in order to:*  
*(a) Enable the people and communities of the district to provide for their social, economic and cultural wellbeing and for their health and safety; and*  
*(b) Meet the present and reasonably foreseeable needs of these people and communities.*

**Obj 6.3.2 Amenity Values**

*To manage urban growth and development so as to promote the maintenance and enhancement of the environmental quality and amenity values of the particular environments found within the District's urban areas.*

**Obj 6.3.3 Adverse Effects on Natural and Physical Resources**

*To avoid, remedy or mitigate the adverse effects of urban areas on the natural and physical resources of the District.*

**Obj 7.1.1 Maintenance of Residential Character**

*To manage urban growth and development to maintain and enhance the built character and amenity values of those parts of the district that have been identified as the Residential Resource Area as well as the social, economic and cultural wellbeing, and health and safety of the residents and communities within those areas.*

**Obj 7.1.2 Protection of Living Environment**

*To manage the use of land to promote a pleasant living environment by ensuring that adverse effects of activities are avoided, remedied or mitigated, while accommodating appropriate change at the interface with other resource areas.*

**Obj 7.1.3 Management of Change**

*To recognise that it is inevitable that the use of land shall change over the period of this plan and beyond in order to enable the community to provide for its wellbeing. The process of change can occur randomly within the various resource areas but will be most obvious at the interface between different resource areas. It is a purpose of this plan to manage that change.*

The Request will enable the people and community of Alexandra to provide for their wellbeing by increasing residential capacity to meet the needs of the growth of Alexandra. The request will enable larger lot sizes for the community to access residential property relative to their needs, an option of which is not currently well provided for in the District Plan. An increase in residential capacity will go some way to addressing the shortage of housing supply, a factor (but far from the only one) impacting on housing affordability in Alexandra.

The Request successfully manages change at the interface with the Rural Residential Resource Area.



**4.2 Policies**

**Pol 6.4.1 Maintenance of Quality of Life Within Urban Areas**

To maintain and, where practicable, enhance the quality of life for people and communities within the district's urban areas through:

- (a) Identifying and providing for a level of amenity which is acceptable to the community; and
- (b) Avoiding, remedying or mitigating the adverse effects on the community's social, economic and cultural wellbeing and health and safety which may result from the use, development and protection of natural and physical resources, and
- (c) Recognising that change is inevitable in the use of land to enable the community to provide for its wellbeing

**Pol 6.4.2 Expansion of Urban Areas**

To enable the expansion of urban areas or urban infrastructure in a manner that avoids, remedies or mitigates adverse effects on:

- (a) Adjoining rural areas.
- (b) Outstanding landscape values.
- (c) The natural character of water bodies and their margins.
- (d) Heritage values
- (e) Sites of cultural importance to Kai Tahu ki Otago.
- (f) The integrity of existing network utilities and infrastructure, including their safe and efficient operation.
- (g) The life supporting capacity of land resources.
- (h) The intrinsic values of areas of significant indigenous vegetation and habitats of significant indigenous fauna.

**Pol 7.2.1 Residential Character**

To ensure that the character and amenity values of residential areas are protected by ensuring that the adverse effects of:

- (a) Excessive noise including noise associated with traffic generation and night-time operations,
- (b) The generation of traffic over and above that normally associated with residential activities and in particular heavy vehicles, and demand for parking,
- (c) Glare, particularly from building finish, and security lighting,
- (d) Structures at the street frontages that do not complement the character and/or scale of development in the neighbourhood,
- (e) A reduction in privacy, access to daylight and sunlight
- (f) A reduction in visual amenity due to excessive signage large areas of hard standing surfaces, and the storage of goods or waste products on the site,
- (g) The generation of odour, dust, wastes and hazardous substances,
- (h) The use and/or storage of hazardous goods or substances,
- (i) The loss of a sense of amenity, security and companionship caused by non-residential activities are avoided, remedied or mitigated.

**7.2.2 Amenity Values**

To ensure that the amenity values of residential sites, including privacy and ability to access adequate daylight and sunlight, are not significantly compromised by the effects of adjoining development.

**7.2.6 Safety and Efficiency of Residential Roads**

*To require appropriate access and on-site parking to ensure that the amenity of neighbouring properties and the safe and efficient operation of roads is maintained while acknowledging that these requirements may be relaxed where this will result in retention of a heritage item or site that would otherwise be lost.*

**7.2.7 Residential Resource Areas (1) – (14)**

The addition of reference to the proposed RRA(14) sub-zone is necessary to provide policy support to the Request.

The rules that give effect to these policies will remain unchanged, apart from minor site specific modifications. This will ensure compliance with Policies 7.7.15, 7.2.2 & 7.26.

In summary, the Request complies with and gives effect to the District Plan's relevant objectives and policies.

**5.0 Evaluation of the Request's Methods & Rules**

Plan Provision/Rule	Discussion
<b>7.3.3 (I) (c)</b> Addition to this rule to provide that the minimum lot size is the [RRA(14)] subzone is 2,000m <sup>2</sup>	This rule is required to give effect to the objectives of the Request.
<b>7.3.6 (III) (c)</b> Addition to this rule to provide for all side yards in the [RRA(14)] sub zone to be 3 metres.	The objective of "large lot" residential developments is to provide for more spacious areas of land around dwellings and to provide a greater degree of separation of dwellings and privacy, than prevails in standard low, medium and high density residential developments. A larger side minimum yard gives effect to this and is consistent with other "large lot" residential zones elsewhere in the district.
<b>7.36 (VI)</b> Addition to this rule to provide that no residential lots in the [RRA(14)] sub zone shall have direct access to Dunstan Road & Waldron Road.	This rule is required to preserve the safety and efficiency of Dunstan Road, a rural arterial road, by reducing access onto Dunstan Road to a single entry point and not increasing usage of the Dunstan Road/Waldron Road intersection.

**6.0 Evaluation of the Request under National Planning Instruments**

**6.1 National Policy Statements**

The following National Policy Statements (NPS) are in effect:

- NPS on Urban Development Capacity
- NPS for Freshwater Management
- NPS for Renewal Electricity Generation
- NPS on Electricity Transmission
- NZ Coastal Policy Statement

With a population of under 6,000 Alexandra is not an "urban environment", as defined in the NES on Urban Development Capacity (2016) as "an area of land containing, or intended to contain, a concentrated settlement of 10,000 people or more and any associated business, land, irrespective of local authority and statistical boundaries".

Nevertheless the NES is of some peripheral relevance as it does reinforce Council's function under Sec 31(1) (aa) RMA91 for "*the establishment, implementation and review of objectives, policies and methods to ensure that there is sufficient development capacity in respect of housing and business land to meet the expected demands of the district*". (my underlining).

There is no other NPS relevant to this Request.

## 6.2 National Environmental Standards

The following National Environmental Standards (NES) are in effect:

- NES for Air Quality
- NES for Sources of Drinking Water
- NES for Telecommunication Facilities
- NES for Electricity Transmission Facilities
- NES for Assessing and Managing Contaminants in Soil to Protect Human Health
- NES for Plantation Forestry

The NES for Air Quality makes the Otago Regional Council responsible for managing air quality under the RMA91 and the Central Otago District Council responsible for issuing permits for qualifying solid fuel heaters in air sheds 1 & 2 under the Regional Plan: Air. The site is not within either air shed (1) or air shed (2).

The NES for Assessing and Managing Contaminants in Soil to Protect Human Health has been dealt with under the Preliminary & Detailed Site Assessments at **Appendix 'H'**.

In summary, there will be no risk to human health from soil contamination by subdivision and development of the site.

There is no other NES relevant to this Request.

## 7.0 Evaluation of the Request under Regional Planning Instruments

### 7.1 Regional Policy Statement 1998

The Regional Policy Statement 1998 was fully revoked as of 15 March 2021.

### 7.2 Partially Operative Regional Policy Statement 2019 (PRPS)

The objectives and policies of the PRPS are addressed as follows:

Objectives and Policies	Comment/Analysis
<b>2.1 to 2.2 (Kai Tahu values and interests)</b>	The PRPS requires that Kai Tahu values and interests are recognised and kaitiakitaka is expressed. Discovery protocols can best be put in place at the subsequent resource consent stage to develop the site. The site is not subject to any statutory acknowledgement in the Ngai Tahu Claims Settlement Act 1998. Kai Tahu ki Otago will be notified of the Plan Change and will have further opportunity to submit.
<b>3.1 to 3.2 (Functions and values of Otago's ecosystems and natural resources)</b>	The site does not contain any significant natural ecosystems and habitats of indigenous species, fresh water bodies or wetlands. The site is not in an area of outstanding natural features or landscapes. The site is not within land classified as landuse capability I, II and III(e) in accordance with the NZ Land Resource Inventory and does not contain a significant soil resource. Any significant use of the site for primary production cannot be realised due to the absence of a suitable source of irrigation water.
<b>4.1 (Risk that natural hazards pose to Otago's communities are minimal)</b>	A search of the Otago Regional Council's Natural Hazards Database shows that the site is not subject to any natural hazard. It enables increased development within a site that is not hazard prone and does not pose a risk to ecosystem values. It does not compromise the safety of the local road network. It contributes to Alexandra's resilience by providing more choice in housing options. The site is flat and not flood prone. The proposal does not increase the risk or the consequences of risk of natural hazards affecting human life, infrastructure and property.
<b>4.3 (infrastructure managed and developed in a sustainable way)</b>	The site will be connected to the Council water and wastewater reticulations
<b>4.5 (urban growth and development is well designed, occurs in a strategic and co-ordinated way and integrates effectively with adjoining urban and rural environments)</b>	The Plan Change enables development that can integrate effectively with the adjoining urban and rural environments, to ensure there is sufficient housing land development capacity. All necessary infrastructure is, or will be, in place to enable residential development of the site. The site is underlain by a considerable depth of highly permeable glacial out wash gravels which

	will facilitate direct disposal of stormwater to ground, in compliance with low impact design principles.
<b>4.6 Hazardous substances, contaminated land and waste materials do not harm human health or the quality of the environment in Otago.</b>	A DSI has been provided with the Request and confirms the site is suitable for residential activity. As the proposed zone is for residential purposes only, there will be no potential for storage, use or transportation of hazardous substances.

## 8.0 Evaluation of the Request Against the Kai Tahu ki Otago Natural Resource Management Plan (2005)

Section 3 of the Operative District Plan puts in place the framework within which issues of concern to Kai Tahu ki Otago in the context of the Act are recognised and provided for in the Central Otago District. Policy 3.4.1 of the Operative District Plan explicitly recognises the 1995 version of the Iwi Management Plan as the principal resource management reference planning document for the Central Otago District.

To the extent that the Request is simply applying an existing (residential) zoning provision to the site, the District Plan already incorporates consideration of issues of concern to Kai Tahu on any subsequent subdivision development of the site.

Alexandra is located within the Clutha-Mata-au Catchment, and this is described at Section 10.1 of the 2005 Management Plan as:

*"The Clutha/mata-au Catchment centres on the Clutha/Mata-au River and includes all sub catchments within this main Catchment.*

*Wai Maori Issues:*

*Land Use:*

- *Lack of reticulated community sewerage schemes.*
- *Existing sewage schemes are not effectively treating the waste and do not have the capacity to cope with the expanding population.*
- *Land use intensification, for example dairying in the Poumahaka Catchment.*
- *Increase in the lifestyle farm units is increasing the demand for water.*
- *Sedimentation of waterways from urban development.*

*Policies:*

*Land use:*

9. *To encourage the adoption of sound environmental practices, adopted where land use intensification occurs.*
10. *To promote sustainable land use in the Clutha-Mata-au Catchment.*
11. *To encourage all consents related to subdivision and lifestyle blocks are applied for at the same time including, land use consents, water consents, and discharge consents.*
12. *To require reticulated community sewerage schemes that have the capacity to accommodate future population growth.*

### 10.3 WAHI TAPU

#### 10.3.1 Wahi Tapu in the Clutha/mata-au Catchments

There are a range of wāhi tapu, but physical resources such as mountain tops, springs and vegetation remnants are other examples. Urupā and some significant sites of conflict are located all along the Clutha Mata-au River.

### 10.3.3 Wāhi Tapu Policies in the Clutha/Mata-au Catchment

1. To require that wāhi tapu sites are protected from further loss or destruction
2. To require accidental discovery protocols for any earth disturbance activities.

The Mata-au/Clutha River is also an area of statutory acknowledgement in schedule 11 RMA91 (Ngai Tahu claim Settlement Act 1998).

The site will connect to reticulated wastewater and water services that have the capacity to accommodate the growth. All stormwater will be disposed of direct to ground within the confines of the site and the site is not adjacent to the Mata-Au/Clutha River. No water take consents will be required to subdivide and develop the site. There is no known wāhi tapu associated with the site. An accidental discovery protocol can be imposed by resource consent conditions.

The Request therefore accords with the issues, objectives and policies of the Management Plan.

## 9.0 Evaluation of the Request Against the Otago Southland Regional Land Transport Plan

The Request fully complies with the long-term strategic objectives of the Plan in that:

- Alternative transport modes are available by the Rail Trail (cycling and walking) within 1km of the Alexandra township (the Plan provides that 10km for cycling and walking and 2km for walking is considered to be the normal limit for these transport methods).
- A suitable intersection onto Dunstan Road will provide for reliable, resilient and safe access to the network. Section (8.2) of the Transport Assessment in **Appendix G** also concludes that the Request complies with the Regional Land Transportation Plan.

## 10.0 Evaluation Against the Vincent Spatial Plan (VSP)

The VSP is not a statutory instrument and can therefore have limited application to the consideration of this Request. Nevertheless, it does indicate the strategic direction to accommodate growth in the Clyde Alexandra area envisaged by Council and the community.

Options (1) & (2) of the VSP released in December 2020 identify Dunstan Road as suitable for low density large lot residential development, therefore the Request is compatible with these options.

## 11.0 Conclusion

The above evaluation has assessed the Request under Section 32 of the Resource Management Act 1991. The conclusions from this evaluation can be summarised as follows:

- The objectives of the Request are necessary and are an appropriate way to achieve the purpose of the Resource Management Act.
- The Request complies with and gives effect to the objectives and policies of the District Plan and higher order planning instruments.
- The provisions of the Request will be efficient and effective in achieving the objectives of the Request, taking into account their costs and benefits.

- There is no risk of the activity, given that the provisions of the Request manage the effects of the activity or the wider environment and there is no uncertainty in or in sufficiency of information about these provisions. There is a risk of not acting because the land and infrastructure resource could be lost to inefficient land uses.