

In the Environment Court

in the matter of: the Resource Management Act 1991

and

in the matter of: an appeal pursuant to clause 14 of the First Schedule to the Act

between: **Daubney Trust**
Appellant
ENV-2007-CHC-023

and: **Epoch Christchurch Limited**
Appellant
ENV-2007-CHC-020

and: **Emma Jane Limited**
Appellant
ENV-2007-CHC-025
ENV-2007-CHC-026

and: **PD Sloan**
Appellant
ENV-2007-CHC-022

and: **Ngai Tahu Property Limited**
Appellant
ENV-2007-CHC-019

and: **Reefville Properties Limited**
Appellant
ENV-2007-CHC-031

and: **National Investment Trust**
Appellant
ENV-2007-CHC-029

and: **Christchurch City Council**
Respondent

Statement of evidence of James Talbot Baines

Sworn: August 2007

Chapman Tripp *Barristers & Solicitors*

119 Armagh St Tel +64 3 353 4130
PO Box 2510 Fax +64 3 365 4587
Christchurch 8140 NZ DX WP21035

Reference: J Hassan (john.hassan@chapmantripp.com)
L L Sewell (lillian.sewell@chapmantripp.com)

STATEMENT OF EVIDENCE OF JAMES TALBOT BAINES

- 1 My name is James Talbot Baines. I am a founding director of Taylor Baines & Associates and a specialist in social assessment.
- 2 I have undertaken training courses in Social Assessment, and have been a member of the International Association for Impact Assessment (IAIA) for the past ten years and the New Zealand Association for Impact Assessment for the past twelve years. Between 2000 and 2006 I was Chairperson of the IAIA's Social Impact Assessment Section. During this time I have also been engaged both in New Zealand and in South East Asia to provide professional training in Social Assessment and to develop Social Impact Assessment implementation programmes in Malaysia on behalf of the United Nations Development Programme.
- 3 In total, I have had eighteen years experience in applied social research and Social Impact Assessment work. This has included participation and leadership in several multi-year social research programmes under contract to the Foundation for Research Science and Technology, as well as a wide variety of consultancy contracts for both public and private sector clients.
- 4 My professional practice has included the design, implementation and analysis of approximately 30 surveys over the past 10 years, many of which have examined aspects of social impact arising out of environmental conditions, or aspects of residential amenity values.
- 5 In addition to my training as a social assessment specialist, I hold a Bachelors Degree with Honours in Chemical Engineering from the University of Canterbury and a Post Graduate Diploma in Teaching from Wellington Teachers Training College.
- 6 I have in the past been called upon as an expert witness in a variety of settings including resource consent hearings, appeals to the Environment Court, and hearings before the Local Government Commission and the Casino Control Authority.
- 7 I confirm that I have read and agree to comply with the Environment Court Code of Conduct for Expert Witnesses (Consolidated Practice Note 2006). This evidence is within my area of expertise, except where I state otherwise. I have not omitted to

consider material facts known to me that alter or detract from the opinions that I express.

- 8 In February 2006 I presented evidence on behalf of the Christchurch City Council to the Commissioner hearing the (then) proposed Variation 86. That proposal was upheld almost in its entirety by way of the Commissioner's Decision and subsequently ratified by the Christchurch City Council in December 2006.
- 9 Since the Commissioner's Decision there have been a number of appeals lodged. Of particular relevance to the scope of my evidence are appeals by National Investment Trust, Ngai Tahu Property Limited and Mr PD Sloan.
- 10 The focus of my evidence is on the adverse effects on social well being that result when commercial centres are undermined by retail development to the extent that those centres can no longer maintain their function and amenity values. I will focus on the links between retail activity, urban form and social well being, and the potential and actual effects of trade competition on the social well being of people and communities that rely on those undermined commercial centres.
- 11 The purpose of my evidence is to:
- 11.1 describe the nature of the links between retailing and social well being;
 - 11.2 set out the reasons for managing the City's pattern of retail distribution, from a social and community perspective; and
 - 11.3 draw conclusions about the need and appropriateness of Variation 86, from a social and community perspective.
- 12 My evidence will also draw upon empirical studies carried out since the Commissioner hearing in February 2006.

EXECUTIVE SUMMARY

- 13 The key points of my evidence can be summarised as follows:
- 13.1 Commercial shopping centres provide a number of social benefits which may include all or some of the following:

- (a) access to goods and service;
- (b) employment opportunities;
- (c) integrated or co-located health services;
- (d) leisure activities;
- (e) public open space;
- (f) access to other community facilities
- (g) a location for socialising and community based activities.

13.2 This link between commercial shopping centres and social well being exists across the range of Christchurch centres.

13.3 If the functional and/or social amenity value of a shopping centre is undermined by the affects of distributed retailing, there is likely to be a reduction in the capacity of the centre to contribute to the social well being of the affected community. The reduction in social well being is likely to be of significant duration and to disproportionately affect groups in the community who are less mobile.

13.4 These adverse consequences can be avoided when new retail activity is located within an existing centre, rather than competing with the centre.

13.5 I have undertaken several pieces of empirical work in Christchurch including a case study into the affects of the location of a Pak'nSave supermarket outside the existing Aranui shopping centre, and a study of co-location in several out-of-centre retail developments.. These studies combine to illustrate many of the aspects of the adverse consequences of distributed retail.

THE LINKS BETWEEN RETAILING AND SOCIAL WELL BEING

14 The June 2004 report by Taylor Baines and Associates¹, which

¹Taylor Baines & Associates, 2004. Social Analysis in relation to the City Plan Variation on Retail Distribution. Prepared for

formed part of the documentation for the Variation 86 proposal, set out a social analysis framework at pp.3-10. This analytical framework incorporated the concepts of functional amenity and social amenity associated with shopping centres, and the manner in which these contribute to the social well being of the residential communities served by those centres. The framework articulated eight aspects of social life which shape social well being, noting that these had been used as a basis for assessing living conditions both in New Zealand and in OECD countries. This same framework for social analysis has been used on numerous occasions before commissioner and Environment Court hearings in this country.

- 15 The eight aspects of social life which shape social well being are:
- 15.1 the state of physical and mental health;
 - 15.2 the quality of housing, shelter, neighbourhood and living place;
 - 15.3 opportunities for formal education and lifelong learning;
 - 15.4 opportunities for income, employment and the quality of working life;
 - 15.5 opportunities for leisure and recreation, time to enjoy them, and access to quality outdoors/open space;
 - 15.6 access to public facilities, transport, communications, and access to goods and services;
 - 15.7 the quality of the physical environment, a clean environment with aesthetic appeal;
 - 15.8 influences on family life, social attachment, social contact, interaction and support;
 - 15.9 influences on participation in community and society, including participation in organised groups and social activities; and
 - 15.10 influences on personal safety, public safety, autonomy or

the Christchurch City Council. June 2004. 31p. Plus appendices.

freedom from too much risk.

- 16 Shopping centres can contribute to a number of the following aspects of social amenity:
 - 16.1 They provide 'access to goods and services' (a primary function of shopping centres).
 - 16.2 They are also centres of 'employment'.
 - 16.3 They may provide local socializing venues in a variety of ways and for people of various ages or other demographic attributes
 - 16.4 Many shopping centres include facilities that increasingly provide the first (primary) and nearest 'health' services and an increasing diversity of health services, either integrated within the fabric of the centre or co-located conveniently near the fringes.
 - 16.5 The larger centres provide commercial opportunities for 'leisure' activities and may sometimes provide non-commercial opportunities in public open space if connections to parks and reserves have been established, particularly if the 'physical environment' and 'personal safety' considerations are conducive to these activities. Examples of this can be found in the establishment of leisure and entertainment precincts such as the Oxford Strip beside the Avon River in the CBD, the co-location of cafes, bars and cinemas at The Palms and along Rotheram Street in Riccarton, and the proposed Council swimming pool development in association with Northlands Mall and Papanui High School.

- 17 The presence of socialising venues and the co-location of community-based activities contribute to the 'social environment' and provide a basis for 'participation'. It is also common to find that schools within the residential catchments served by commercial centres will have linkages with businesses in the centre, both in terms of financial support and as venues for organised learning activities.

- 18 The analytical framework also describes the basis for urban community, the links between social well being, access and spending power, and the relationship between a centre's potential contribution to social well being and its role in the City's hierarchy of centres.
- 19 An analysis of the status quo in Christchurch indicates that the links between commercial centres and social well being exist across the entire spectrum of centres - that all commercial centres have some role in contributing social well being to their communities. In general terms, the diversity and extent of social well being contributions increases across the spectrum from local to district or sub-regional centres.
- 20 In local shopping centres, social well being is gained primarily from access to a range of essential consumer goods in nearby and familiar surroundings, where the locality's amenity values remain predominantly residential in character, and access to the centre is relatively unconstrained by transportation options for most residents. Towards the other end of the spectrum - district centres - social well being is gained in a variety of ways. Major convenience stores anchor a large variety of other retail activities, supporting comparison shopping, socialising and leisure venues. They may include enclosed malls which offer controlled environmental conditions, safe environments for a range of ages, and relatively high degrees of social interaction.
- 21 At the extreme end of the spectrum - sub-regional centres or the regional centre (i.e. the CBD) - social well being is gained through the greatest variety of contributions - access to comparison shopping as well as comparison leisure outlets; access to a wide range of government services; access to major public facilities and historical sites, and also the one area of the City where the design of public open spaces within the commercial centre has long been the focus of council planning. Within the CBD, amenity values are conducive to mixed uses, while access is generally gained via private cars, taxis and buses, for those who live close to established radial bus routes.
- 22 Within the context of the social analysis framework I have described, I make the following observation:

- 22.1 functional and social amenity are closely inter-related in commercial centres;
- 22.2 functional and social amenity combine to contribute to the social well being of those communities served by the commercial centres;
- 22.3 the vitality of commercial centres (reflecting diversity of offer as well as accessibility and utilisation) underpins the extent of social well being generated;
- 22.4 if the functional and social amenity of an existing centre is adversely affected to a more than minor extent, then less mobile people whose amenity is adversely affected are likely to suffer a loss of social well being which cannot easily be remedied by access to compensating amenity gains;
- 22.5 the expected effects of out-of-centre retail developments on existing centres and the social well being they generate in future depends on assumptions made about the location of the new retail developments, the type of new retail activity allowed, retail expenditure trends in the retail catchment, and demographic differences which affect people's access to alternative sources of amenity and well being.

SOCIAL REASONS FOR MANAGING RETAIL DISTRIBUTION

- 23 The social arguments for managing the pattern of retail distribution focus on several particular issues.
- 24 The first critical issue concerns the maintenance and enhancement of amenity values, and the efficient use of natural and physical resources.
- 25 Creating additional functional and social amenity with further retail development in new locations away from existing centres runs the risk of un-managed declining amenity in existing centres and the associated loss of social well being.
- 26 Furthermore, given the evidence of inadequacies in the City's existing public transport services I do not believe that these services provide compensating accessibility comparable with private vehicles or walking. It would be difficult and an inefficient use of physical

resources to remedy such inadequacies in an environment where supposedly 'fixed route' travel was subject to significant uncertainty in the future, since it is impossible to maintain the efficiency of networked infrastructure such as roading and public transport if the network itself is subject to repeated change.

- 27 The second critical issue is the need to ensure that all people and communities within the City are able fairly to provide for their social, economic and cultural well being and for their health and safety, regardless of their socio-economic status or advantage.
- 28 I understand that evidence will be produced by other witnesses that distributed retail (i.e. retail outside existing centres) can result in a reduction in shopper numbers and retail expenditure at existing centres. If that reduction is significant enough over time that it results in reduced retail diversity then the centre will lose function and social amenity. This loss will cause a corresponding loss in the capacity of the centre to contribute to the social well being of all centre users living in the affected community. Furthermore, the reduced number of people visiting the existing centre will result in fewer people using community facilities and other non-commercial services in the local area (i.e. potentially affecting other aspects of well-being such as cultural and health aspects). All of these effects are evident in the Aranui case study, which I will describe later in my evidence.
- 29 The gains and losses in social amenity that result from this distributed retailing effect are rarely zero-sum equations. Commercial centres which have been in existence for some time will generally have attracted a significant degree of co-location amongst retail, commercial, public and community facilities. The Council's demographic analysis² shows the extent to which many existing centres have also attracted less mobile groups of residents to co-locate nearby. Such groups are likely to be disproportionately affected by any decline in the level of social amenity associated with these centres.
- 30 The broadest extent of such co-location is not easily or readily

²CCC Fact Sheets, October 2003.

replaced at a completely new retail location, unless it is actively planned for with collaboration between private and public interests. Thus, a loss of functional amenity in retailing at the existing centre (particularly if it is related to core convenience shopping such as basic supermarket shopping) is likely to result in loss of functional amenity and social amenity related to services and leisure activities which may not be substituted, either quickly or at all, at the new location.

- 31 Also, the gains and losses are rarely zero-sum equations in a social equity sense. There is no certainty and often little likelihood that the groups of people who benefit from distributional effects are the same as the groups of people who lose amenity and social well being from the same distributional effects. While the former are likely to be better enabled to provide for their social well being through the new retail development, the latter are conversely likely to be disabled.

HOW THE CENTRES-BASED APPROACH PROVIDES SOCIAL AND COMMUNITY BENEFITS

- 32 I consider the potential for the amenity and equity imbalances described above can generally be avoided for an existing centre where the new retail activity is located within that centre, or as part of the contiguous expansion of the same centre. The imbalance may also be minimised where steps are taken to ensure that new retail services are only developed when they are appropriate in order to meet shopping needs not provided for in existing centres (e.g. large format/trade services, etc.) and where it is strictly limited to these sorts of retail activities, or to meet increased demand from new areas of residential development (i.e. to meet overall growth in demand). This is because the new services – limited as I have described – are not reliant on attracting customers who are already well served by their existing centres.
- 33 From a social assessment perspective I expect that the centres-based approach that is applied by Variation 86 should provide the following social and community benefit:
- 33.1 It will encourage the consolidation of existing shopping centres and make it more likely that any new centres will be

developed in an orderly and coordinated way, improving the prospect of new centres meeting the broader social needs of affected communities without unnecessarily undermining the amenity of existing centres.

- 33.2 It should reduce the risks to amenity values in existing centres and the social well being in their associated communities whenever a new integrated centre/community focal point is established.
- 34 Corresponding to the above benefits, there may be some temporary loss of amenity in local shopping centres which are closest to the location of a newly-established centre. I would expect this to be a temporary adjustment, since any planned new centre would be aimed largely at meeting the needs of a new and expanding residential catchment, but is nevertheless likely to attract a degree of custom from adjacent, residential catchments.
- 35 The outcomes described in paragraphs 33 and 34 above reflect my expectation of outcomes under a scenario of moderate growth in retail expenditure based on 'central' expectations for growth in household numbers and in retail expenditure per household - as noted in the Taylor Baines, 2004 analysis I cited in paragraph 14 (see pp.22-29).
- 36 If future growth occurred at higher rates, corresponding to the high rates of net in-migration to the City since 2001 and to the strong growth in household expenditure experienced since the early 1990s, then demand to establish new centres will be stronger and the benefits described in paragraph 33 above are likely to be more critical, while the situation of temporary adjustment described in paragraph 34 is likely to happen in more cases, but also likely to be more quickly masked by overall expenditure growth, as has occurred during recent years.
- 37 On the other hand, if future growth occurred at lower rates, corresponding to the very low growth in household expenditure experienced in the late 1980s and a period not conducive to in-migration to bolster household numbers, then the demand to establish new centres or to increase overall retail space either inside or outside existing centres will be correspondingly low, and

situations of adjustment for existing centres correspondingly less likely to happen but be more significant and longer lasting when they do.

RECENT EMPIRICAL STUDIES

- 38 Since the Commissioner hearing in early 2006, several pieces of empirical work have been undertaken that are relevant to my evidence. One is a case study of the social effects of a recent out-of-centre supermarket development in Christchurch (the Wainoni Pak'nSave established just over 1km north of the Aranui shopping centre); the other is an update to earlier analysis of co-location in various out-of-centre locations around Christchurch.
- 39 Furthermore, since the Commissioner hearing in 2006 the 5-yearly Census of Population and Dwellings has been carried out by Statistics NZ and the results published. This has allowed me to evaluate the effect of Living 3 zones in promoting residential intensification around existing centres by making a comparison between the 2001 and 2006 census data.

The Aranui case study

- 40 I believe that the facts of the Aranui case study demonstrate an example where trade competition has resulted in significant adverse social effects on the community utilizing an existing centre, arising from the out-of-centre Pak'nSave retail development on Wainoni Road. I believe there is little doubt that the Pak'nSave development was the underlying cause for the resulting loss of social amenity. While I acknowledge a range of out-of-centre social benefits have occurred, the outcomes already evident indicate, in nett terms, significant adverse effects on social well being for certain groups in Aranui as well as significant community disablement in the longer run.
- 41 I will now summarise for the Court the findings of this case study work, with further details provided as attachments to my evidence. This summary will cover:
- 41.1 the assessment methodology,
 - 41.2 background information on the out-of-centre development,

- 41.3 comments on the appropriate perspective for an assessment of social effects,
- 41.4 a description of the Aranui community,
- 41.5 an assessment of social effects, and
- 41.6 my conclusions from this case study.

Assessment methodology

- 42 Social analysis typically uses both quantitative and qualitative data³. There is often a tendency to assume that the only valid and reliable social data are derived from a sample survey. In terms of generating reliable and valid research findings this is a narrow perspective and one that is not supported by the sociological literature. Accepted methods for social research include case studies, various types of interviewing of selected subjects, focus groups and other qualitative methods, including direct observation. The crucial issues, long recognised by social scientists, are reliability and validity⁴. My conclusions in this evidence are drawn from research that uses a range of methods that have produced both quantitative and qualitative data.
- 43 In preparation for this evidence, I visited Aranui and its surroundings on numerous occasions to make direct observations, conduct face-to-face interviews, collect background data and hold focus group discussions. Demographic data for the Aranui community was obtained from the 2006 Census of Population and Dwellings. Altogether 16 semi-structured interviews⁵ were conducted with people providing a variety of social and community services, and the owner-managers of the supermarkets involved. The interviews were focused on issues and effects and designed to

³Taylor, C. Nicholas, Bryan, C. Hobson and Goodrich, Colin G. (1995). *Social Assessment: Theory Process and Techniques*. Taylor Baines and Associates, Christchurch.

⁴Coffey, A., and Atkinson. P. (1996). *Making Sense of Qualitative Data: Complementary Research Strategies*. Sage Publications, California. Kirk, Jerome and Marc Miller (1986). *Reliability and Validity in Qualitative Research*. Sage Publications, Beverly Hills.

⁵A list of these key informant interviewees is provided in Attachment 1.

elicit in-depth information.

- 44 14 owners or managers of businesses and organisations operating in or adjacent to the Aranui shopping centre were interviewed using a structured questionnaire. This survey was focused on 'before and after' comparisons of business activity and direct observations of social activity occurring in and around the Aranui shopping centre.
- 45 Focus group discussions were held with 9 Aranui Playcentre parents, 8 elderly residents of Aranui and 13 Year12/13 students at Aranui High School. Each focus group⁶ involved participants completing an individual questionnaire and then taking part in group discussion of particular issues or questions. Additional secondary data sources included Housing NZ⁷, the Christchurch City Council⁸ and ACTIS⁹.

Background information

- 46 Aranui had long been an established neighbourhood centre; a supermarket had established at the corner of Pages Road and Breezes Road some thirty years ago, and a range of other commercial activities progressively accumulated around it¹⁰. A range of other community facilities are also located close by, as I shall detail later. Nevertheless, as noted by Mr Davidson¹¹ in his evidence to the Resource Consent hearing for the Wainoni Pak'nSave, commercial investment had stagnated in Aranui, overall

⁶Elsewhere in my evidence and attachments I state numbers of responses to these individual questionnaires. In cases where there are missing responses, the numbers will be slightly different to those given in paragraph 44.

⁷Numbers and locations of HNZA units, by Census Area Unit

⁸Numbers and locations of CCC rental units; numbers, locations and permitting dates for Elderly Persons Housing in the Aranui area; Resource Consent documentation for Foodstuffs (SI) Ltd application for the Wainoni Pak'nSave supermarket.

⁹Minutes of ACTIS bi-monthly meeting held on 8 March 2006.

¹⁰Most recently including a café, restaurant and takeaways, licensed premises, motor vehicle services, footwear clothing and soft goods, personal and household services, and secondhand goods (Evidence of Mr Donnelly to the Resource Consent hearing for Pak'nSave, confirmed by direct observation).

¹¹Mr Davidson was at the time General Manager of Retail Development for Foodstuffs (South Island) Limited. Refer to paras.17 and 20

retailing and commercial amenity in the area was poor, and Foodstuffs was willing to invest in a suburb that had not seen substantial investment for many years.

47 Foodstuffs had identified un-met consumer demand in the eastern part of the City generally and demand for discount shopping in Aranui itself. Mr Davidson's evidence¹² to the Resource Consent hearing for Pak'nSave makes it clear that Foodstuff's initial intention was to re-develop the existing Aranui New World site to convert it to a Pak'nSave development.

48 However, for various reasons, this did not eventuate and Foodstuffs instead promoted a two-supermarket scenario, in which its existing Aranui New World supermarket would remain open at the same time as its new Pak'nSave development came into operation on Wainoni Road.

49 The reality was very different after consents for an out-of-centre development had been granted. Several months before the new Pak'nSave development was ready to open, the New World business was sold to the Pak'nSave business so that existing staff jobs could be secured. In the event, the New World supermarket closed when the Pak'nSave supermarket opened.

Perspective for an assessment of social effects

50 In my opinion, these background considerations draw attention to two issues regarding the assessment of social effects in this case. I wish to discuss them briefly because each issue results in a tendency to under-state the significance of the social effects for the community served by the existing centre.

51 First, if a two-supermarket scenario was accepted as likely, then it could be considered consistent to conclude that a positive nett social effect from the new Pak'nSave development was likely. Indeed, in my interviewing in Aranui, I discovered a number of people who reported that community expectations prior to Pak'nSave's opening were generally favourable - on the assumption that their existing New World supermarket would continue to operate. For some groups in the community, these favourable expectations have not

¹²Op.Cit. para.20.

eventuated since the New World supermarket closed immediately Pak'nSave opened.

- 52 The second issue concerns the way in which the assessment of social effects is framed. In simple terms, a before and after¹³ comparison for Aranui tells only part of the story. This comparison simply identifies the direct and immediate effects on the community by considering the change in the community's social well being following the closure of the Aranui centre supermarket.
- 53 In my view it is necessary, in order to identify the full and longer-term extent of the social effects, to undertake what I describe as a "with and without" analysis. That is to say, comparing the community's social well being with the new out-of-centre Pak'nSave in place (resulting in the New World closure), with what the community's long-term prospects for social well being would have been if the Pak'nSave investment had been made in the Aranui centre, rather than at Wainoni Road¹⁴, i.e. without the out-of-centre Pak'nSave in place. This comparison represents the nett differential in the community's social well being between having a centres-based approach and not having one.
- 54 In summary, insofar as the assessment addresses the social effects on the existing centre and its community, the before and after approach captures only the adverse effects of allowing an out-of-centre retail development to proceed, while ignoring the 'lost opportunity' or cumulative 'displaced benefit' effects of the new investment. Indeed, paradoxically, the latter benefits are usually ascribed to the proposed out-of-centre development.

The Aranui community

- 55 Before presenting a summary of my ex-post assessment of social effects, I will provide a brief community profile of Aranui and its shopping centre in order to give context to the assessment. More

¹³That is to say, comparing the existing Aranui centre as it was before, with the Aranui centre after the new out-of-centre development on Wainoni Road has occurred and the New World supermarket closed.

¹⁴As was originally intended by Foodstuffs and would have been incentivised and promoted by the Variation 86 centres based approach.

detail is provided in Attachment 2.

- 56 The residential community of interest at Aranui for the purposes of this case study has been defined as the primary catchment area of the New World supermarket¹⁵ which operated in Aranui until November 2006 (see Figure 1 of Attachment 2).
- 57 Aranui is demographically distinct from Christchurch in a number of respects. The Aranui community (27% aged 14 years and under) has considerably higher proportions of children than Christchurch City (18% aged 14 years and under) but lower proportions of elderly (10% and 13% respectively, aged 65 years and over). Households in Aranui are more likely than their city-wide counterparts to rent the dwelling they live in (39% Aranui; 31% Christchurch) and correspondingly less likely to own it. Housing NZ is also a much more prominent landlord in Aranui than in the City as a whole. The distribution of household incomes in Aranui shows a bias towards lower household income levels compared with the City's relatively even distribution. The proportion of Aranui households without a motor vehicle (13%) is considerably higher than for the City at large (9%). While the youth of Aranui may typically have as much money to spend as their City-wide counterparts, the expenditure capacity of most Aranui residents is largely confined to low-medium income levels. The sources of personal income for Aranui indicate proportionately higher levels of beneficiaries, lower levels of employment, and much lower levels of income from other discretionary sources such as interest, dividends and rents.
- 58 The Aranui shopping centre straddles all four corners of the intersection of Pages Road and Breezes Road. For approximately thirty years, a supermarket has anchored the shopping centre. The present composition of businesses operating in the Aranui centre is detailed in Attachment 2. In addition to these commercial premises, a medical centre and a physiotherapy practice have operated directly adjacent to the centre (on the eastern side of Breezes Road, opposite the carpark entrance) for 17 and 24 years respectively. Other long-established community-related premises nearby include

¹⁵Map provided by Mr Heath; boundaries confirmed by interviews with supermarket managers.

a community hall, two churches (one having a drop-in café and food bank which operate five days a week), three pre-school facilities at various points along Breezes Road, Police premises on Breezes Road with an adjacent youth activities centre. The Christchurch Worship Centre has rented premises in the shopping centre on Pages Road (owned by Foodstuffs) since August 2005. Aranui Primary School and Aranui High School are both located nearby. It is noteworthy that all these community-related facilities lie within the 800m walking distance (sometimes referred to as a 'pedshed') of the New World supermarket site (see Figure 3 of Attachment 2).

- 59 In the main, customer catchments for Aranui shopping centre businesses were similar to that of the supermarket. Modes of transport for customers accessing these businesses show a mix of modes as typical. While there are references to the supermarket carpark having been full at times, almost all the businesses reported that at least some of their customers typically walked to the centre. More than two thirds of the focus group participants interviewed reported that they used to visit the New World supermarket several times a week or even daily for some. The New World supermarket shared a lot of customers with Pak'nSave Moorhouse. Furthermore, businesses interviewed universally reported observations of customers cross shopping. A small hardware store on Breezes Road closed down at the end of 2006 and is still vacant. The former supermarket building was tenanted in July 2007 as a bulk format furniture store.
- 60 Most of the existing businesses, including the New World supermarket when it was operating, reported established relationships with local community groups and social services. For smaller businesses, such relationships revolved around sponsorships and donations to local groups or supplying services to local groups. The New World supermarket gave financial support to local schools, pre-schools and youth groups for supplies and trips away. It was common practice for the supermarket to run accounts for schools and local businesses, and to cash cheques because staff knew many of the customers as regulars. On many weekends there were fund-raising barbecues/sausage sizzles held outside the entrance to the supermarket, to assist church groups, sports teams and schools. A community notice board was initiated by the most recent

supermarket owner. In the winter months, nearby elderly residents would make frequent trips to the supermarket because it was warm. Participants at the focus group for elderly pointed out that because the New World supermarket was relatively close by, most were in the habit of walking there several times a week, and this activity was important for their health and their social interaction. It was not unusual for walks to the supermarket and shopping centre to result in a visit to a friend en-route for a chat and a cup of tea, or a visit to the drop-in café at St Ambrose.

- 61 Businesses interviewed consistently reported various types of social interaction observed in and around the shopping centre. All the businesses reported the strong presence of school students, and people stopping at places around the shopping centre to chat was also commonly reported. These observations of social behaviour and interaction were corroborated in many of the key informant interviews as well as by focus group participant responses. For playcentre parents and the elderly, almost all reported stopping to chat regularly or occasionally, while meeting someone to have a drink or something to eat was much less common and may reflect the limited choice available in the shopping centre. For youth, the Aranui shopping centre was not a place associated with 'hanging out'. Nevertheless, more than half of the youth focus group participants reported that they used to meet there to have a drink or something to eat occasionally.
- 62 According to City Council analysis, 7 services pass through Aranui daily, Monday to Friday, before 9am, 19 services between 9am and 6pm and 5 services after 6pm, for a total of 31 services daily. At the present time, none of these services travels between Pages Road and Wainoni Road.
- 63 In my discussions with many people in Aranui, the issues of affordability on limited incomes and physical mobility or accessibility to shops and community facilities were the most frequently raised. In this regard, it is evident from the 2006 census data that people with certain characteristics have tended to locate closer to the existing Aranui shopping centre, with its cluster of shops (including at that stage a supermarket) and other community facilities. The data tabulated in Attachment 2, Table 10, indicate that within the

800m walking distance of the New World supermarket site residential composition is more likely (than elsewhere in Aranui) to reflect people who are elderly, have comparatively very low household income, are super-annuitants, have poorer health status or some form of disability, are not in the labour force, live in one-person households, and in a household with no motor vehicle.

Assessment of social effects

- 64 I will now turn my attention to reporting the social effects of what has happened in Aranui as a result of allowing an out-of-centre supermarket development.
- 65 The basic facts are that the new Pak'nSave opened on land zoned for residential use at 174 Wainoni Road in December 2006 and the old New World supermarket closed in the Aranui shopping centre simultaneously.
- 66 The social effects which I shall shortly summarise in my evidence are attributed to the operation of a new supermarket on a new site. In my view, location is the central issue in this assessment of social effects. However, other aspects of the new supermarket development are worth noting as well, namely that the new supermarket is bigger and of a different brand, and the owner/manager of the new supermarket has brought to the business a degree of sensitivity to local community interests.
- 67 The development has given rise to a range of beneficial social effects as well as a range of adverse social effects. More detail, with elements of quantification, is provided in Attachment 3. In summary, there are possibly beneficial contributions to the social well being of many who live in the community of Aranui from access to cheaper goods; it is likely that more employment has been created for a number of Aranui residents; the owner of the Pak'nSave supermarket has described supporting a wide range of community groups throughout his primary catchment area with sponsorships in kind, although this may to some extent come at the expense of community groups within Aranui itself; he has also demonstrated a positive, neighbourly disposition to some immediate neighbours who requested easy, direct access to the supermarket via gates in their boundary fence. These are all contributions to social wellbeing that would arise to some extent irrespective of

location.

- 68 The supermarket investment by Foodstuffs has resulted in landscaping of a large area of carpark (improved visual amenity), including the sealing over of soil contaminated with arsenic by previous timber yard activities on the site, thereby removing a health risks to people who live nearby. Foodstuffs has also contributed substantially towards the council costs of developing the new recreational reserve adjacent to the supermarket site; its contribution enabled the project to be brought forward on the Council's timetable, thus hastening the creation of a new recreational amenity for the area. While these are site-specific benefits, they are also, with the exception of the contaminated soil issue, not atypical of the kinds of improvements that occur whenever new supermarkets are developed or existing ones upgraded.
- 69 Adverse social effects on the Aranui community become evident when considering physical accessibility and convenience. A substantial proportion of the residential community now have further to travel to get to their nearest supermarket (at private cost in terms of time or money) and for some groups the option of walking to the supermarket has been taken away, with consequences for accessibility, health and social isolation.
- 70 There are situations where the loss of a particular store effects certain groups of people in a particular way, as for example with the loss of the hardware store, which closed when the supermarket closed. While this type of social effect may appear relatively minor, they still affect the lives of probably 30-40 households in each case; therefore numerically probably at least equivalent to the number of households which experience neighbour-related benefits from the new Pak'nSave supermarket on Wainoni Road.
- 71 The numbers of people visiting the Aranui shopping centre are widely reported as being substantially reduced and most shops report reduced customer numbers. As a consequence, many in the Aranui community have lost an important social hub - a focus of regular and frequent informal social interaction. This is a significant adverse social effect at the community level, probably affecting the majority of Aranui residents to some degree, but not necessarily all

to the same extent.

- 72 In the context of this case, perhaps the most profound adverse long-term effect has been the lost opportunity for substantial suburban renewal in Aranui, the kind of suburban renewal envisaged under a centres-based policy of periodic maintenance and enhancement. The development over time of any shopping centre and community focal point relies on private sector and public sector investments. Private sector investment on the scale of Foodstuff's recent supermarket development does not happen often in one location. The fact that it was allowed to happen at a considerable distance away from the Aranui shopping centre means that the Aranui shopping centre will experience the adverse social effects of this trade competition for many years to come. In my opinion, this puts the Aranui community in a quandary that is disabling of positive community development. Rather, it creates a real risk of community fragmentation.
- 73 I accept that not everyone in the Aranui community will consider themselves adversely affected by the out-of-centre Pak'nSave development. Under this arrangement some Aranui residents have definitely benefited, but I believe that rather more have been disadvantaged, particularly when we consider the loss of the social hub and the loss of suburban renewal potential for the existing centre. Thus for Aranui, the overall social effects of the present situation can be described as a win-loss combination.
- 74 I also accept that if Foodstuffs had re-developed its Aranui site for a Pak'nSave, as it originally intended, and as the City Plan's centres-based policies would give preference to, then the actual development would have been somewhat different in scope and design. However, under such a scenario, the same range of social benefits would have been created and the adverse social effects avoided, thereby creating a social win-win situation.
- 75 Others to benefit from improved access to grocery shopping by the establishment of Pak'nSave on Wainoni Road - those City residents further a field throughout the primary Pak'nSave catchment (see Figure 1, Attachment 2) - would have benefited to a similar extent under either scenario.

76 I have attempted to summarise the social effects graphically, in the following Figures. The first figure represents¹⁶ the before and after comparison of effects, while the second figure represents the with and without comparison of effects.

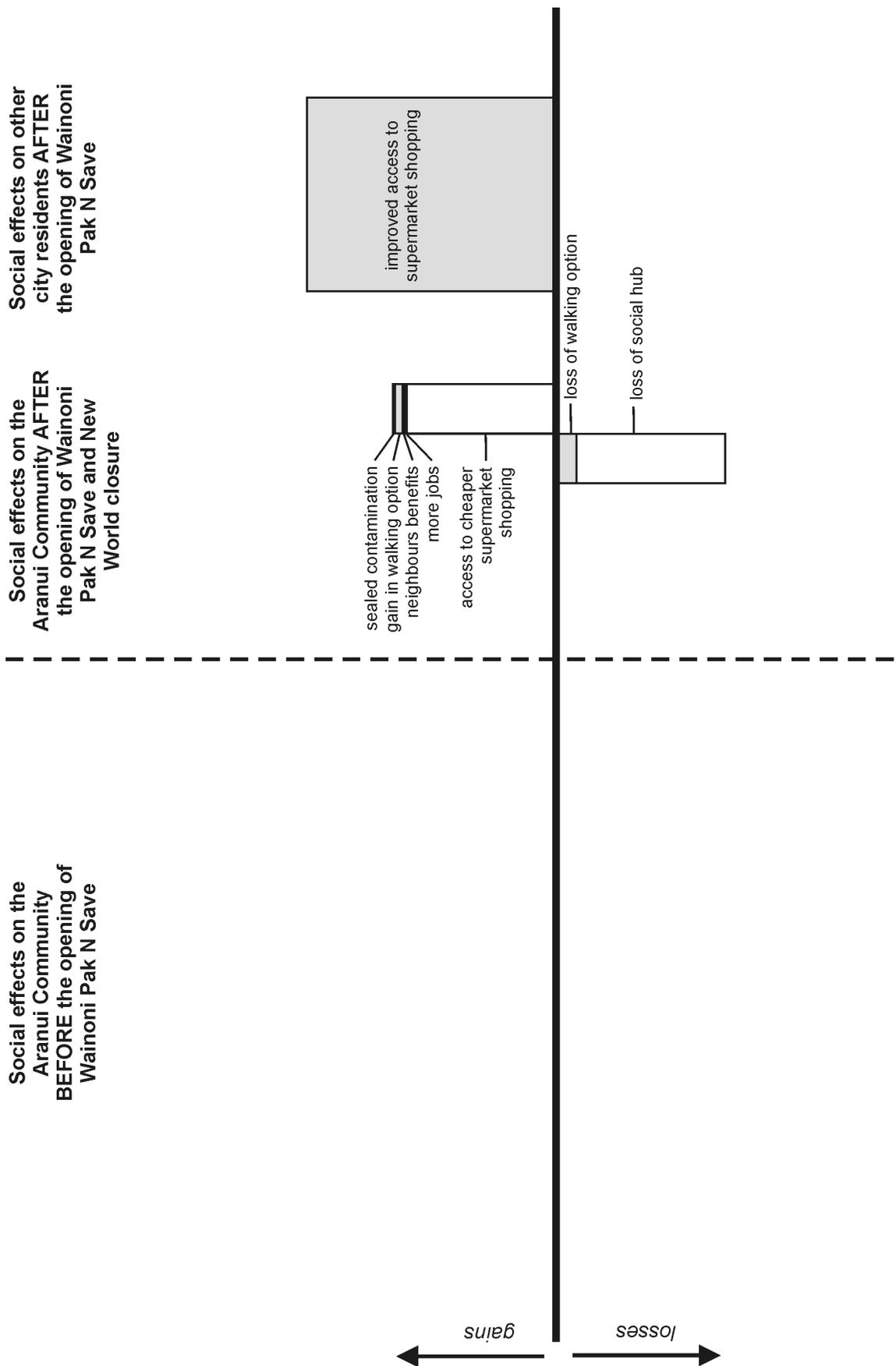
Case study conclusions

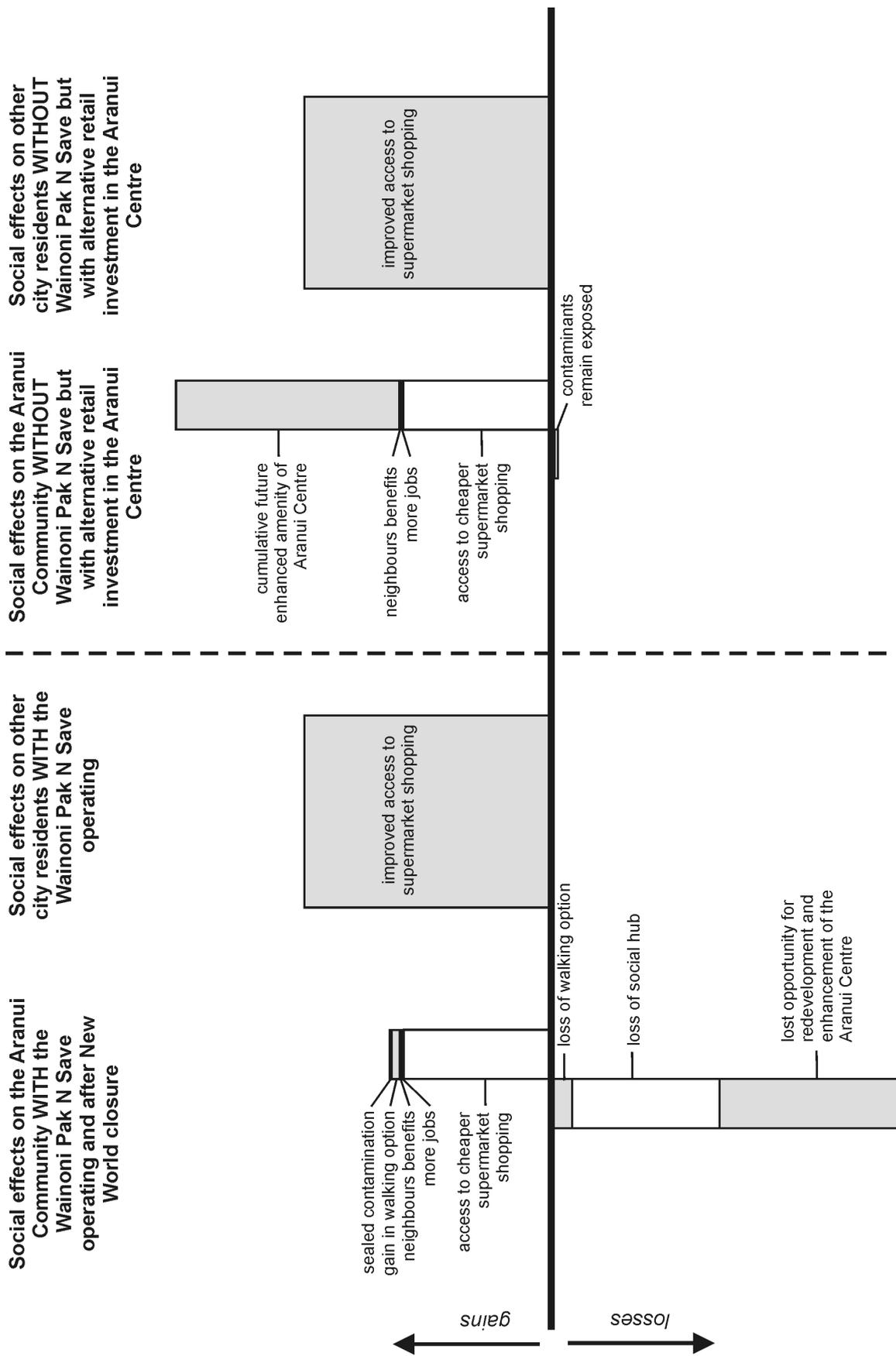
77 I draw the following conclusions from this case study of social effects:

77.1 a before and after comparison of social well being outcomes for the residents of Aranui demonstrates that some local residents gained some benefits while a similar number have been disadvantaged. For the Aranui community, I believe this situation is, in itself, a significant adverse social effect, as it gives rise to 'winners' and 'losers' within the same community and in other respects, and is therefore not conducive to social cohesion. Also, in terms of social amenity effects, there has been a clear loss of a social hub, which will not be replaced in the near term by the Pak'nSave.

77.2 a with and without comparison of social well being outcomes for residents of Aranui differentiates more clearly between the social outcomes from allowing an out-of-centre supermarket development and those that would have resulted from in-centre renewal and consolidation. The additional benefits to city-wide residents are, for all intents and purposes, neutral between these two scenarios. Consequently, the actual outcomes for the residents of Aranui are undoubtedly significantly adverse from the out-of-centre development that was given consent.

¹⁶The scale of the bar segments on the graphs indicate the numbers of households estimated to experience each social effect; the scale should be treated as comparative rather than absolute.





Updated analysis of co-location

- 78 I now wish to present the results of updating a study of co-location patterns around several out-of-centre retail developments in Christchurch. By co-location, I am referring to the natural propensity for businesses and other activities to agglomerate around an anchor retail activity, or several adjacent anchor retail activities, as the case may be, if the opportunity exists for them to do so. This is a natural dynamic of market-driven businesses seeking to tap into potential customer flows attracted to a particular location by the anchor stores.
- 79 The relevance of this comparative data, in my opinion, is to demonstrate the nature and extent of what has happened and to draw attention to certain attributes of the changes observed, because these attributes are pertinent to a consideration of social amenity and social well being.
- 80 The details of the analysis are provided in Attachment 4. The three BRP zones for which data are presented are the Supa Centa site (Northwood), Ferrymead and Tower Junction. These three exemplify out-of-centre developments at different stages. Ferrymead, for example, has been the location for a gradual accumulation of retailing activity over more than 15 years. However, as the data show, this process of agglomeration accelerated markedly after the opening of a Woolworths supermarket in 2002. The Supa Centa was launched with the arrival of the Smiths City store in 2001. The growth and agglomeration of retail activity in that location has therefore been happening for some six years. Nevertheless it has achieved considerable diversity. Tower Junction has achieved within 3-4 years almost as many stores operating as the Supa Centa, but with rather less diversity of offer. The data demonstrate the power of anchor stores to attract other activities around them.
- 81 The cases represented in this co-location update are all predominantly car-dependent locations for shopping. Relatively few

people walk to these locations.

- 82 While social amenity in shopping areas is not simply synonymous with the scale and diversity of retail offer, these factors do contribute towards social amenity for those visiting the location.
- 83 Referring back to the Aranui case study, the data demonstrate the kind of dynamic that might have occurred at the Aranui shopping centre in future, had the new Pak'nSave been established there. The data also point to the potential future threat to the remaining Aranui shopping centre from having Pak'nSave establish on Wainoni Road on a site which might offer future potential for further retail development.

Residential intensification around existing centres in Christchurch City - 2001 to 2006

- 84 Some time ago, the City Council implemented zoning provisions to encourage residential intensification around certain existing centres (B2 zones). On the basis of census data provided to me by the City Council, I now provide evidence that these provisions have indeed started to produce the intended outcomes and some residential intensification has occurred over the period 2001-2006. Detailed data are contained in Attachment 5 to this evidence.
- 85 There has been substantially greater population growth (more than 10 times in absolute terms) within 400m of L3 centres than within 400m of L1 centres around the City. Furthermore, the households living within 400m of L3 centres are considerably less likely to own a car. The proportion is well above the City-wide average and similar to the trend discussed already in the Aranui case study.
- 86 Households with children are more likely to live adjacent to L1 centres. Proportions of elderly residents living within 400m of L3 centres and L1 centres are similar in both cases (16% and 17% respectively), and both are noticeably higher than the City-wide average percentage (14%) of households with elderly occupants.
- 87 In my view, such trends make it all the more important that the status of existing centres is protected and enhanced. The policies

for residential intensification around existing shopping centres which act as community focal points and the centres-based policies to guide locational patterns of commercial development are complementary and intended to be mutually dependent. Furthermore, with a steadily ageing population, it will become increasingly important to plan for this demographic factor.

CONCLUSIONS

- 88 When interpreting the role of centres, I believe it is important to remember that one's perspective is critical. Individual retailers are primarily interested in attracting customers to their shop. Similarly, individual retailers will be interested in the Variation 86 provisions in the City Plan for the way in which these provisions influence their ability to locate retail premises and position themselves to attract customers.
- 89 In contrast, the City Council, with its statutory functions, is responsible for considering a range of different perspectives. Shopping is more than just an economic process; indeed, retail shopping is ranked highly by New Zealanders as a recreational activity. Shopping centres ("centres") are more than just collections of retail outlets; they contribute to the social well being of the communities they serve in a variety of ways. Hence their role as community focal points, which facilitate positive social participation and, in a flat city like Christchurch with few other distinguishing landmarks, a sense of place and community identity.
- 90 I believe it is important to remember that the degree of social well being conferred by a centre on its community depends on accessibility, and accessibility varies markedly from one group of people to another, as exemplified in the Aranui case study I have presented.
- 91 Where sizeable retail activities establish away from existing shopping centres, other retail and non-retail activities inevitably follow if they are able to, as shown in the results of the co-location study I presented. A degree of social amenity evolves to

complement the functional amenity, thereby increasing the potential to draw patronage away from existing centres. I believe there are significant social benefits to be gained from harnessing this market dynamic. The Variation 86 provisions will assist this and thereby support the intent of the centres-based policies.

- 92 Other aspects of City and regional policy have for some time been encouraging residential intensification around certain existing centres as an important part of the longer-term strategy to accommodate a growing City population and to enable these residential communities across the City to provide for their social and economic well being. The comparative census data I have presented shows that this residential intensification in specified areas is indeed occurring. The integrity of these residential intensification policies would, in my view, be complemented by the Variation 86 centres-based policy.
- 93 I remain of the view that my evidence to the Commissioner hearing on Variation 86 was valid and appropriate. I believe the importance of the Variation 86 provisions in reinforcing the City's centres-based policy for commercial development has been reinforced by the subsequent empirical evidence I have presented in this statement.

James Baines
August 2007