

APPENDIX 3 - MARKET ECONOMICS LTD – ECONOMICS REVIEW

Memo

To: Peter Skilton, Team Leader District Plan, Waipā District Council

From: Greg Akehurst, Director, Market Economics Ltd.

Date: 5 November 2024

Re: PC14 Property Economics EIA Report: Peer Review

1. Introduction

As I understand it, Fonterra are looking to develop a 79.2ha (gross) parcel of land within the C10 Industrial Growth Cell in Hautapu from Rural to Industrial under the Waipā District Plan. This development is termed the Mangaone Precinct (Plan Change 14, or PC14). The 79.2ha of gross land area yields a net 47.6ha of industrial land provision.

Fonterra have commissioned Property Economics to prepare an Economic Assessment of the effects of PC 14 to the Waipā District Plan, which has been submitted along with the Plan Change documents to Waipā District Council (“WDC”). Market Economics have been asked to provide a peer review of this assessment on behalf of WDC.

This memorandum summarises the findings of our review. The PE report covers a range of issues:

- An overview of the plan change,
- A review of industrial land capacity and sufficiency as outlined in the 2023 Business Development Capacity Assessment (BDCA) prepared for Future Proof Partners,
- A ‘Ground Truthing’ of capacity and assessment of the impact of Proposed PC14 (“PPC14”) on existing and planned capacity,
- An assessment of the locational characteristics of the site,
- An assessment of the proposed plan change against the provisions and criteria under the National Policy Statement on Highly Productive Land.
- An assessment of the proposed Central Focal Area of PPC14 in terms of the retail impacts on existing centres
- An Economic Cost Benefit assessment of PPC14, and finally,
- An assessment of PPC14 against the Waikato Regional Policy Statement - in particular the ‘out of sequence’ aspects of the relevant criteria in the RPS, given the development area was originally scheduled for development from 2035.



The PE conclusions are contained in the Executive Summary rather than in a conclusions section. The broad conclusions they reach are as follows:

- That the 2023 BDCA which indicates sufficient industrial land capacity within the Cambridge- Karāpiro local market, Waipā and Future Proof, is unreliable due to a supposed underestimation of employment growth, land demand, industrial capacity modelling issues and the effect of the Waikato Expressway proving attractive to demand arising from beyond those businesses serving the Cambridge market.
- PE believe that Future Proof will potentially face a shortfall in industrial land over the medium to long term, and therefore,
- Allocating 47.6ha of additional industrial land through PPC14 is a suitable response to address a portion of medium and longer term demand.
- PPC14 will have limited potential to undermine other existing or live zoned industrial land areas in Cambridge or across the wider District,
- That there are no other practical locations within the Cambridge area more suitable or economically efficient to rezone for industrial activity than the PPC14 site.
- That because PPC14 is located within the C10 Industrial Growth Cell, that the loss of HPL is anticipated so its loss should be disregarded as an additional cost to the economy.
- Taking all of this into account, PE find that the economic benefits of advancing PPC14 significantly outweigh the economic costs associated with additional infrastructure investment or productive land loss.

Market Economics Limited (M.E) has been engaged by the WDC to conduct a peer review of the assessment, focusing on:

- Comparison with 2023 BDCA: Analysing PE's findings in relation to the 2023 BDCA, particularly regarding industrial demand and capacity across the district and the broader Future Proof area.
- Methodology Review: Evaluating the methodology used in PE's report and comparing it with the BDCA methodology to assess its suitability and reliability.
- Reliability of Conclusions: Determining the extent to which WDC can rely on the report's conclusions.
- Rezoning Consideration: addressing the key findings and criticisms outlined in the PE report and assessing whether the rezoning of the PPC14 land can be supported from an economic standpoint, regardless of whether there is unmet demand in the medium term.
- Submission Reviews: Conduct a thorough review of key submissions to assess their relevance to the PE economic assessment. This includes submissions from:
 - Kama Trust
 - Lesley Dredge

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- Waikato Regional Council

This memorandum summarises the findings of our review, which are structured as follows:

First, Section 2 examines the key assumptions used to calculate industrial land demand in the 2023 BDCA. Next, Section 3 assesses PE's approach to evaluating PC14. Following this, Section 4 evaluates the PC14 site as a significant industrial growth cell in Waipā and considers whether rezoning can be supported from an economic standpoint. Finally, Section 5 presents M.E's responses to key submissions concerning industrial land capacity and economic growth.

2. 2023 BDCA

Aiming to ensure that there is sufficient development capacity to meet the demand for housing and business land over the short, medium, and long term, under the National Policy Statement on Urban Development (NPS-UD), Tier 1 councils are required to conduct a Housing and Business Development Capacity Assessment (HBA) every three years. By analysing current and future needs, the HBA helps councils plan for sustainable growth and make informed decisions about zoning, infrastructure, and other urban development initiatives. This process supports the goal of promoting well-functioning urban environments and managing urban growth effectively.

Commissioned by the Future Proof Partnerships, M.E last updated the HBA in 2023, the BDCA results examined by PE were part of this work. A well-peer-reviewed three-step process was followed for assessing business space demand and capacity.

1. Assessing demand for business space by understanding the current economy, developing projections for future economic activity using sector-based employment, and translating those projections into spatial demand for specific locations and zones.
2. Assessing capacity for business space by assessing plan-enabled capacity, ground-truthing estimates, and evaluating the suitability of capacity based on demand attributes and infrastructure availability.
3. Assessing the sufficiency of business space by integrating the findings from both demand and capacity assessments.

Several datasets were used as key inputs to the BDCA model, including the WISE model outputs detailing population and employment projects at the local level. Prior to the development of the model, PPF councils agreed to adopt the high-growth projections (published in May 2021) as the base series for HBA 2023, despite the availability of other more recent projections from the University of Waikato (UoW).

By comparing the projection series adopted in the latest 2023 BDCA (summary statistics provided in Figure 1) with the projection series from PE, sourced from the UoW, it is clear that the main differences between the projections occurred in the short term (i.e. 2022-2025). Given that a slightly different version of the projections was used in PE's analysis, it is inappropriate to question the

reliability of M.E’s methodology by assuming that forecasted population trends were used to estimate future employment growth. In fact, NIDEA’s High projection series is used as an input into the WISE model. WISE then incorporates population growth, export performance (by sector), national economic growth, and other factors such as Gross Fixed Capital Formation (GFKF) to generate a set of economic futures, in terms of output, GDP and employment at the SA2 and District level. The economic futures are used to help determine the required level of land use change (within constraints such as planning provisions and natural constraints such as flood prone areas, slope etc) needed to sustain output. The model is dynamic in that environmental constraints impact on economic performance and therefore employment projections.

Figure 1: BDCA input summary – WISE/NIDEA Projections (High)

Population - High	2022	2025	2032	2052
Hamilton City	184,404	193,088	213,903	271,072
Waikato District	85,737	89,760	98,648	124,128
Waipā District	59,035	61,144	66,064	80,549
Sub-region Total	329,176	343,992	378,615	475,750
		2022-25	2025-32	2032-52
Cumulative Growth Rate		4.5%	10.1%	25.7%
Annual Growth Rate		1.5%	1.4%	1.1%
Labour Force - High	2022	2025	2032	2052
Hamilton City	103,126	109,841	127,003	173,191
Waikato District	47,421	49,656	55,258	69,822
Waipā District	33,003	34,294	37,549	46,079
Sub-region Total	183,550	193,791	219,811	289,092
		2022-25	2025-32	2032-52
Cumulative Growth Rate		5.6%	13.4%	31.5%
Annual Growth Rate		1.8%	1.8%	1.4%
Employment - High	2022	2025	2032	2052
Hamilton City	110,427	116,016	128,419	154,775
Waikato District	26,962	28,589	31,939	39,304
Waipā District	26,063	27,125	29,311	35,254
Sub-region Total	163,453	171,730	189,669	229,334
		2022-25	2025-32	2032-52
Cumulative Growth Rate		5.1%	10.4%	20.9%
Annual Growth Rate		1.7%	1.4%	1.0%

The employment projections generated by the NIDEA High population projections and the current and future planning layers form the basis for the BDCA at the local level.

Also, it is worth noting that while labour force numbers and employment numbers are related concepts, they have distinct meanings in the context of economics and are not interchangeable. Generally, the labour force includes all people of working age (typically between 15 and 65 years) who are either employed or actively seeking employment, whereas employment refers specifically to the subset of the labour force—people who hold jobs, either full-time or part-time, in paid employment or self-employment. The dynamic relationship between the labour force and employment implies that

their rates of growth may differ. In the case of the WISE projections, as shown in Figure 1, the annual growth rates of employment are lower than those of the labour force across all periods. This contrasts with PE’s claim that “the higher growth rates anticipated by NIDEA’s labour force projections imply a substantially greater increase in employment over time”.

The WISE/NIDEA projections are considered as a sound and reliable tool for forecasting population, employment, land use, and other urban development indicators. Their development and updates rely on research and inputs from experts in urban planning, economics, and environmental science. This peer-reviewed approach ensures that the model adheres to best practices and is based on validated methodologies. In M.E’s view, the industrial land demand outlined in the 2023 BDCA, based on WISE/NIDEA’s employment projections, offers a fair projection for the Future Proof area.

In terms of provision of industrial land, the 2023 BDCA found that Waipā District had 177.7ha of vacant industrial land available for development as at 2022. Growth to 2052, plus a competitiveness margin will sit somewhere between 103.6ha and 128.2ha – well under the available capacity. Similarly, industrial land capacity within the Cambridge-Karāpiro local market is projected to meet demand in the short, medium, and long terms, with 5.3 hectares, 17.8 hectares, and 57.5 hectares, respectively (See Table 1).

Table 1: Waipā District Industrial Land Sufficiency Summary (ha)¹


Name	Short Term	Medium Term	Long Term	Total Vacant Land (sqm)	Short Term	Medium Term	Long Term
Cambridge-Karapiro	5.3	17.8	57.5	64.2			
Te Awamutu-Kihikihi	5.6	13.8	42.0	33.8			Insufficient
Rukuhia-Ngahinapouri-Ohaupo-Pirongia	2.6	7.6	22.5	76.7			
Rest of Waipa	0.6	2.1	6.2	2.9			Insufficient
Total	14.1	41.4	128.2	177.7			

3. PE’s Assessment Approach

In Section 4 of their report, PE presents an assessment of the 2023 BDCA report prepared by M.E for Future Proof Partners. PE highlights that the 2023 BDCA results differ significantly from those of the 2021 HBA, both in terms of demand estimates for the short, medium, and long terms, as well as in the available capacity to support growth. Table 2 (page 16) in their report details these differences, which stem from variations in the approaches used in the 2023 BDCA for assessing demand and supply across the sub-region.

PE particularly challenges the industrial land demand projections by scrutinizing the underlying employment projections and citing perceived future demand. Additionally, PE disputes the inclusion of the Lake Karāpiro Events Zone and Mystery Creek Events Zone in the capacity modelling.

¹ Please note that demand figures differ from the estimates published in the 2023 BDCA, as they reflect a revised approach and an upward adjustment in demand projections.



In summary, PE's conclusions heavily rely on the observed differences between the 2021 and 2022 BDCA outputs and perceived variations in modelling assumptions (including misidentified unusual synchronicity between employment and population growth). However, they do not offer an independent or alternative projection to validate or challenge the BDCA's methodology for assessing industrial land demand and capacity. This absence of an alternative model raises questions about the robustness of PE's conclusions.

While PE provides a general overview of existing industrial land provisions and prominent vacant industrial sites in the Cambridge-Karāpiro area, their analysis lacks specific information on occupancy and vacancy rates of industrial land in general. As a result, there is no clear indication of the available industrial land capacity—a critical component covered in the BDCA. Without data on occupancy and vacancy, the assessment may not fully account for the sufficiency or availability of industrial land, potentially impacting the reliability of the conclusions regarding demand and capacity.

A more comprehensive methodology would include an analysis of occupancy and vacancy rates alongside current land provisions to provide a clearer picture of industrial land capacity within the district.

In addition, PE addresses the implications of Plan Change 19 – Carter's Flat within the context of industrial land provision in Cambridge in Section 5.1 of the report. They also reference Plan Change 17 – Hautapu Industrial Zones (PC17), which came into effect in January 2024 and rezoned approximately 20 hectares of land (Area 6) from Rural to Industrial Zone. This change aims to alleviate industrial land pressure by providing existing industries at Carter's Flat with the option to relocate to the Hautapu Industrial Zone. Approximately 16 hectares of land (Area 7) was also rezoned from Rural to Deferred Industrial in response to submissions on PC17, with a further private plan change being prepared to potentially "live zone" this land.

Given the recent rezoning in the Hautapu Industrial Structure Plan Area, which partly supports relocating industrial activities from Carter's Flat, further analysis is required to show the rezoning of Carter's Flat is to be considered a justification for PC14. Specifically, it is important to quantify the likely extent of additional land required for relocations from Carter's Flat, considering the recent changes at Hautapu through PC17. This additional analysis would strengthen the case for PC14 by providing a clearer understanding of the actual land requirements for these relocations.

4. C10 as a significant Industrial Growth Cell in Waipā

In the Waipā District, several Industrial Growth Cells have been designated to support anticipated growth and meet the demand for industrial land. These growth cells are strategically located in key areas such as Cambridge, Te Awamutu, and Kihikihi, aiming to accommodate a variety of industrial activities. Each growth cell is intended to contribute to the local economy by providing dedicated spaces for businesses, generating employment opportunities, and supporting the district's long-term development goals as outlined in the Waipā District Growth Strategy and the Future Proof Strategy.

Figure 2: Growth Cell in Cambridge

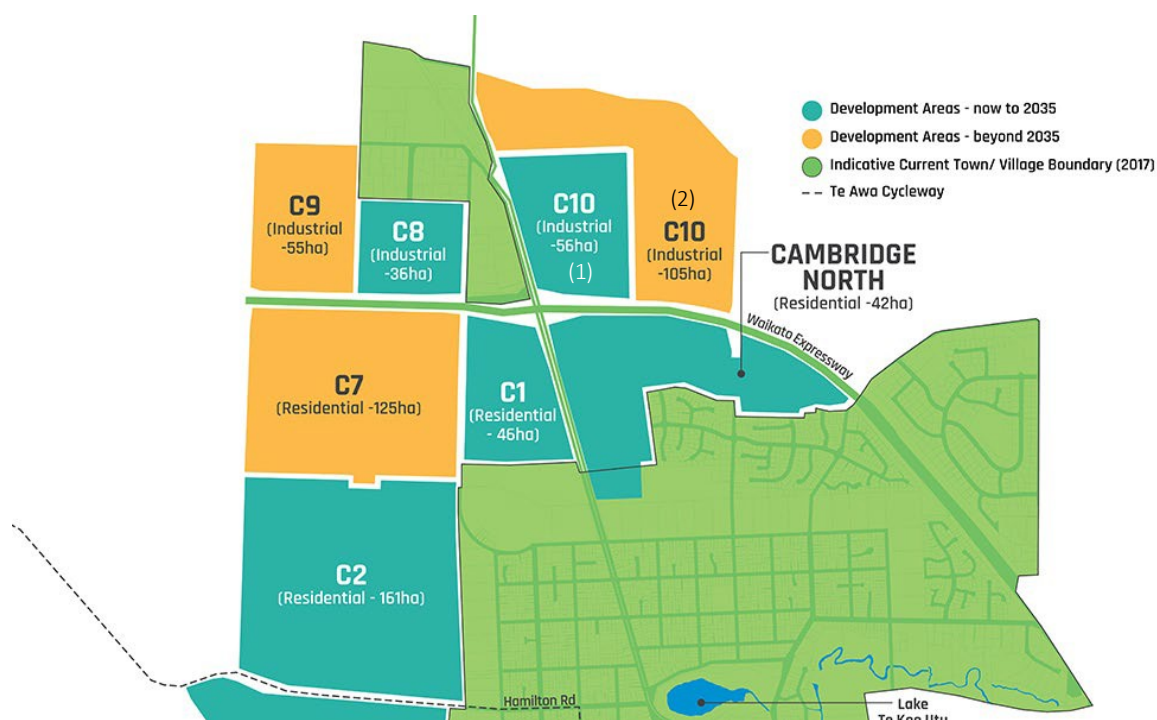



Figure 2 shows the 3 key Industrial Growth Cells in the Cambridge-Karāpiro local market:

- C8 – The first major industrial hub within the Hautapu Industrial Zone.
- C9 – Hautapu Industrial Zones - Adjacent to C8, it is part of the planned industrial extension in Hautapu, additional land has been rezoned through PC17.
- C10
 - (1) – Bardowie Industrial Precinct - 30ha of Deferred Industrial Zone and 26.7ha of Rural Zone land rezoned to Industrial Zone through PC11.
 - (2) - Mangaone Precinct - PC14 site.

Currently, the C10 Growth Cell (2) is designated as a key area for industrial expansion in Cambridge beyond 2035. In the 2023 BDCA, this growth cell has been included as part of industrial land capacity for the Waipā District.

The Waikato Expressway is a major highway in New Zealand, which was built in seven sections, with the final section (Hamilton) completed in July 2022. The four-lane highway now runs approximately 102 kilometres from Auckland's southern suburbs to the town of Tirau (south of Cambridge).

Since the completion of the Waikato Expressway, Cambridge has experienced significant transformations, particularly in economic development and population growth. The expressway has enhanced accessibility, attracting new businesses and industries, which has stimulated local economic growth and expanded the retail and service sectors. This improved connectivity has also made Cambridge more appealing to investors and developers, leading to a surge in residential developments as people seek a semi-rural lifestyle while remaining close to urban centres like Hamilton.



Consequently, Cambridge has evolved into a more dynamic and economically active community, though these recent changes were not reflected in the 2023 BDCA.

In particular, the recent extension of State Highway 1 as a motorway past Cambridge's industrial zones, notably including the C10 Growth Cell on Cambridge's north side, has markedly enhanced the area's attractiveness for industrial development and created demand extending well beyond the local boundaries. This demand increase is driven by several competitive advantages that position Cambridge as a hub for industrial and logistical businesses across the Waikato region and beyond.

First, the C10 Growth Cell offers extensive flat land specifically designated for industrial use, which is both rare and highly sought after. Its location alongside the newly extended motorway provides streamlined transport routes directly connecting to significant economic centres such as Hamilton and Auckland, facilitating the rapid movement of goods. Additionally, the ease of access to Auckland and Tauranga ports is particularly advantageous for industries involved in export, as it reduces logistics costs and time, essential factors for large-scale and time-sensitive operations.

This strategic positioning is particularly appealing to logistics providers, distribution centres, and large-format industrial operations that benefit from such enhanced connectivity. These businesses require efficient, high-capacity transport links to deliver products quickly to key urban centres or export hubs. Moreover, industries involved in processing or manufacturing local agricultural products find the location ideal, as it reduces transit times from farms and suppliers to manufacturing plants, further lowering costs and supporting just-in-time supply chains.

Another significant draw for businesses is the potential for agglomeration economies in Cambridge's industrial areas. By co-locating within the C10 Growth Cell, businesses can benefit from shared infrastructure, supplier networks, and labour pools, which leads to cost savings and operational efficiencies. Companies involved in similar or complementary activities can collaborate more easily, creating a synergistic environment that can drive productivity and innovation.

While this demand and strategic positioning of the C10 Growth Cell as a motorway-adjacent industrial hub were not fully captured in the recent BDCA, these factors suggest that Cambridge's industrial sector is poised for substantial growth, and early development of the C10 Growth Cell could allow Waipā District to capitalise on these advantages, fostering regional economic growth and securing Cambridge's place as a central player in the Waikato industrial network.

In this context, the minimal risk of providing an oversupply of industrial land is far outweighed by the potential economic benefits. Granting PC14 and accelerating the development of the C10 Growth Cell would not only help maintain competitive prices for industrial land, encouraging business expansion and reducing barriers for new entrants, but it would also support broader regional economic objectives. By ensuring a plentiful supply of industrial land, the district can attract a diverse range of businesses, from logistics providers to manufacturers and other industrial operators, who may otherwise face challenges due to rising land prices and limited options.



The C10 Growth Cell, currently slated for development starting in 2035, could begin to serve market demand up to a decade earlier, creating immediate opportunities for economic growth. Early development would also strengthen Waipā District's role in regional logistics and manufacturing by positioning Cambridge as a key node within the Waikato region's industrial network. This early supply could relieve pressure on adjacent industrial growth cells and reduce the risk of price inflation due to competition over limited land in the short to medium term.

While some private landowners of other industrially zoned areas may experience downward pressure on land values due to increased vacant capacity, these private costs are minor in comparison to the larger benefits identified in the Property Economics report supporting PC14. Lower land costs contribute to a more affordable environment for industrial tenants and buyers, potentially attracting both national and international businesses to the area and stimulating job creation across multiple sectors.

Granting PC14 would therefore provide several direct and indirect benefits, including:

- **Increased Investment Appeal:** Competitive land pricing and a ready supply of industrial land will attract a broader range of investors, developers, and businesses, which could lead to greater capital inflows and regional economic stability.
- **Enhanced Job Creation:** By supporting an expanded industrial base, Waipā District could benefit from new employment opportunities, including high-skilled roles in logistics, manufacturing, and advanced industrial operations.
- **Supply Chain Efficiency:** For industries reliant on the Waikato transport corridor and nearby agricultural resources, proximity to a major highway would optimize supply chain logistics, reduce transit times, and lower operational costs.
- **Long-Term Economic Resilience:** Establishing a diversified industrial base now would provide Waipā District with a buffer against economic fluctuations, as a more robust industrial sector contributes to economic resilience and sustains growth.


Overall, M.E believes that granting PC14 and bringing forward the development timeline for the C10 Growth Cell would create a stronger economic platform for Cambridge and the wider Waipā District, benefiting businesses, residents, and the regional economy as a whole.

5. [Review of key PC 14 submissions](#)

This section presents M.E's responses to key submissions received on PC14 to the Waipā District Plan. Submissions addressing issues related to industrial land capacity and economic growth were submitted by Kama Trust, Waikato Regional Council (WRC), and Lesley Dredge. M.E will address each submission individually.

5.1 [Kama Trust – Submitter No. 6](#)

According to their submission, Kama Trust owns approximately 15ha on industrial zoned land within the C9 Growth Cell. They offer conditional support to PC14 only if transport effects are properly



mitigated and that any adverse impacts on the Kama Trust land from (among other things) the oversupply of Industrial land are mitigated (through the suggested use of development staging).

The Kama Trust submission point out that the BDCA has identified that there is sufficient industrial zoned land in the Cambridge area in the medium term. While M.E have made some adjustments to the projection series for Cambridge post the publish of the 2023 BDCA, effectively increasing the amount of anticipated demand that needs to be accommodated, the amount of supply available in the medium term still exceeds demand (demand of approximately 18ha and vacant capacity of 64ha). This means that in the short to medium term, there remains no identified shortfall in either the Cambridge-Karāpiro catchment or in the wider Waipā District (unless additional evidence can be provided as to significant uptake of industrial capacity in these areas). However, M.E recognise that the effect of the extension of State Highway 1 in motorway form, directly past the industrial zones (including the C10 Growth Cell) on the north side of Cambridge opens this area up to industrial demand that arise from much further afield. M.E notes that these demand forces have not been incorporated into the BDCA work to date and are likely to increase demand at Cambridge significantly.

This is because available flat land, earmarked for industrial activity, collocated with other significant industrial activity, immediately adjacent to a major motorway is extremely attractive to logistics businesses and other large format industrial activities that may need to manufacture using agricultural products produced locally, or are seeking to take advantage of agglomeration economies associated with the collocation, and need to move the products quickly to either large markets (such as Hamilton or Auckland, or to ports for export (Auckland or Tauranga)).

The purpose of the NPS-UD and the BDCA prepared under it, is to identify the bare minimum amount of capacity that Council must (through their District Plans and development strategies) provide. It is not in this instance, the risks of oversupplying land are small and will simply help ensure that the price of industrial land remains highly competitive.

In addition, the PC14 land forms part of the C10 growth cell. This cell is earmarked for industrial development from 2035 onwards. By bringing its development forward by (at most) 10 years – in response to increased demand pressures will generate practically no adverse economic effects for the district. There may be some minor private impacts on landowners of other industrially zoned land as the increased vacant capacity will put downward pressure on land costs – but those private costs are more than outweighed by the benefits outlined in the Property Economics report in support of PC14.

5.2 Lesley Dredge – Submitter No. 8

Lesley Dredge, along with her husband, owns the property at 174 Swayne Road, located across from the PC14 site, and she opposes the development of the PC14 site. In her submission, she dedicates substantial effort to critiquing the work conducted by PE, specifically challenging their conclusion that the “capacity estimates presented in the BDCA are largely overstated and unreliable for understanding the industrial land sufficiency status of the Waipā District and the broader sub-region (p20).”



The submission critiques the PE economic assessment in the following manner:

- The PE report disagrees with the demand for industrial land projections because they do not match the population derived labour force growth rates. M.E agrees with this criticism, as Labour Force projections have very little bearing on demand for industrial land. Demand for industrial land is a function of individual economic sector growth paths (driven often by international demand forces), the type and nature of industrial activity present in any given location, and the business cycle (capital formation rates, interest rates etc) as well as (to a lesser extent) local demand parameters which will be population growth driven.
- The PE report offers no evidence or ground truthing of the amount of vacant industrial land present in the Cambridge area. The Dredge submission states that, in fact there is evidence that demand for industrial land may have declined in Cambridge and quotes that the value of non-residential consents in Waipā has decreased by 63.2% over the year to March 2024. This may be an unfair comparison as there is no evidence provided in the submission as to the number of consents, just their value. Demand for land may be completely independent of the value of consents issued.

In the concluding statement, the Dredge submission states on page 13, that *“Underpinning the creation of an industrial zone, is the requirement to prove without any uncertainty that there is a need for that industrial land. This is the objective of the NPS-UD...”*.

M.E does not agree with this position, as this does not match any of the 8 objectives outlined in the NPS-UD. In fact, the NPS-UD almost states the opposite, in Objective 6 the NPS-UD states that:

Local Authority decisions on urban development that affect urban environments are:


- a) Integrated with infrastructure planning and funding decisions, and*
- b) Strategic over the medium term and long term and*
- c) Responsive, particularly in relation to proposals that would supply significant development capacity*

This objective is supported by Policy 8, which states;

Local authority decisions affecting urban environments are responsive to plan changes that would add significantly to development capacity and contribute to well-functioning urban environments, even if the development capacity is;

- a) Unanticipated by RMA planning documents, or*
- b) Out-of-sequence with planned land release*

In my opinion, proposed PC14 adds significant development capacity to the medium term, by effectively bringing forward capacity that was earmarked for the post 2035 time period. In the medium to longer term, this land was always going to be developed for industrial activity and all PC14



is doing is bringing forward the development of 47.6ha of it. I agree with the conclusion that PE draw., that:


From an economic perspective the proposed Mangaone Precinct has limited potential to undermine the uptake and growth potential of the existing and live-zoned industrial land in the Cambridge market and the wider district, given the recent robust industrial growth of the markets.”

5.3 Waikato Regional Council (WRC) – Submitter No. 10

The WRC submission broadly supports the development of the PC14 site (as per the Future Proof Strategy 2024) – subject to further clarification and analysis. A key concern is that they want the proposed plan change to be *“supported by sufficient assessment and evidence to demonstrate that it gives effect to the relevant higher-order policy documents under the RMA.”* (paragraph 5, page 2).

With respect to the economic assessment, WRC have sought the following relief:

- A more robust assessment to demonstrate that the proposed plan change gives effect to Clause 3.6(1)(a) of the NPS-HPL. WRC do not believe that the PE statement that if Cambridges recent growth continues into the future (at twice the rate anticipated in the BDCA, then the amount of vacant industrial capacity will be consumed by 2035 – is sufficient evidence that there is a shortfall.
- The same applies to demonstrate PPC14 gives effect to Clause 3.6(5) of the NPS-HPL. That is, WRC do not believe that PE have shown that the 47.6ha (of additional land as proposed) is the exact amount required to cater for any industrial land shortfall.
- WRC are concerned that while the PE assessment offers a critique of the BDCA analysis, it doesn't offer an alternative quantification of available capacity or sufficiency within the local market (Cambridge). Therefore, they require a more detailed assessment and evidence on this matter.
- WRC are not clear whether the PPC14 is to provide for Fonterra's operations or is a more general rezoning to cater for a more general industrial land market. Also, WRC are concerned that while costs are not counted if activity is relocated back to Cambridge from elsewhere in the region as they would have been incurred regardless – the benefits have been added.
- WRC are concerned that the use of very short, COVID-19 influenced timeframes as a basis for projecting growth, is unreliable and will not provide for robust decision making on land rezoning. They therefore seek a more robust assessment be carried out.
- Finally, with respect to industrial capacity, WRC state that if the rezoning of Carters Flat is to be considered as part of the justification for PC14, then PE should quantify the amount



of land required for the relocation of activities from Carters Flat and also include the rezoning of PC17 land at Hautapu.

- With respect to the Central Focal Area, WRC are supportive of the limited range of activities proposed and emphasise that the size of the Central Focal Area should be commensurate with the demand that arises from the Mangaone Precinct only so as to avoid any adverse impacts on Cambridge town centre.

The land to be rezoned under PC14 is part of the C10 growth cell. Therefore, it has already been identified in Councils strategic documents as being earmarked for industrial activity. As M.E understands the NPS-HPL, this means that PC14 does not necessarily have to meet the exacting capacity and sufficiency requirements under the NPS-HPL. This means that the exact link between any identified shortfall and an exact amount of land required to meet that shortfall does not need to be established.

While M.E agrees with WRC that the assessment carried out by PE requires further work in terms of establishing the justification for the Industrial land. M.E believes that economic efficiency is enhanced by granting PC14.

Greg Akehurst

5 November 2024