

## Introduction

My name is Lesley Dredge. My husband, Ken Dredge and I are the owners of 174 Swayne Road, Cambridge.

My submission focuses on the Economic Assessment (EA) produced by Property Economics (PE) on behalf of Fonterra (Appendix I, Application documents Waipa District Council (WDC)).

My submission offers evidence to show that the EA has not provided adequate justification for Proposed Plan Change 14 (PC14). The EA lacks robustness and statistical accuracy, and my position remains unchanged.

The EA has been peer reviewed by Market Economics (ME) at the request of WDC. The peer review by ME does not dispute my analyses, and I support the findings of ME, regarding their assessment of the EA's methodology and reliability of conclusions.

Today I will speak to my submission points regarding the EA and peer review.

I will then provide comments in response to the Section 42a Report, with a focus on the WDC commentary regarding the National Policy Statement for Highly Productive Land (NPS-HLP) and the Waikato Regional Policy Statement (WRPS).

## Part A – EA Submission

### Firstly I will speak to my submission points regarding the EA and peer review:

1. The National Policy Statement for Urban Development 2020 (NPS-UD) requires Tier 1 councils to complete a Housing and Business Development Capacity Assessment (HBA) every 3 years. This was last updated in 2023.
2. The EA focuses largely on discrediting the Business Development Capacity Assessment (BDCA) 2023. My submission shows that the findings of the BDCA 2023 are statistically robust, as confirmed by ME's peer review that outlines the *"well-peer reviewed three step process."* (ME Appendix 3, p3).
3. ME's peer review states the EA does *"...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"* (p6). I support this view.
4. ME states that the EA *"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"* (p6). I support this view.
5. ME also states *"Without data on occupancy and vacancy, the (Economics) 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"* (p6). I support this view.



Key points from this analysis are:

- A key metric "access to major road/transport routes: good transport access, especially road/motorway" is included in the weighting.
  - Cambridge /Karapiro scores 15/20 – (a lower value than Te Rapa, Ruakura,, Huntly and Pokeno).
  - The overall MCA score for Cambridge Karapiro of 72 indicates good alignment with plan enabled capacity (BDCA 2023 p 88).
9. I agree with ME that the Waikato Expressway has "enhanced accessibility, attracting new businesses and industries" (p7 ME). However, PE and ME provide no quantification of any shortfall in capacity as a result of improved connectivity.
10. I also agree that there has been a "surge in residential developments" (p7 ME), but the connection between new residential developments and demand for industrial land, especially land for large-scale manufacturing and logistics developments needs further explanation.
11. I also note ME states there is "minimal risk" of providing oversupply (p8). However, there is no evaluation or quantification of the minimal risks of oversupply, by ME or PE.

#### **Part B – Section 42a Report Comments**

**I will now provide comments in response to the Section 42a Report, focusing WDC's commentary regarding the National Policy Statement for Highly Productive Land (NPS-HLP) and the Waikato Regional Policy Statement (WRPS).**

1. I note Waikato Regional Council (WRC) submission points 10/2-7 question the robustness and lack of detail in the EA, and request an economic assessment be undertaken that demonstrates the PPC14 gives effect to Clause 3.6 of the NPS-HPL and aligns with WRC policies. I support this request.

#### **Regarding the Waikato Regional Policy Statement (WRPS):**

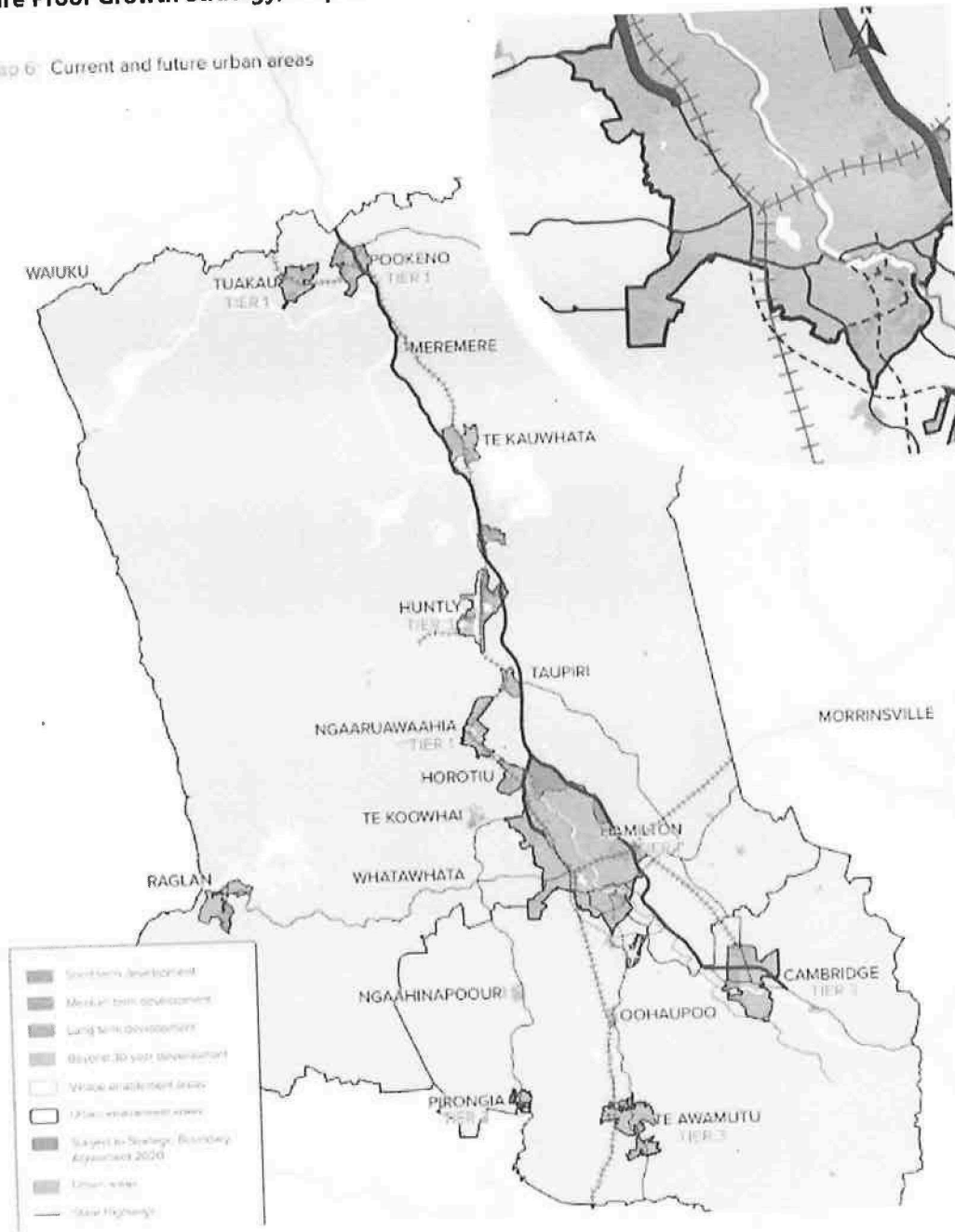
2. The WRPS sets out the criteria for out of sequence development. Criteria A, A is "that the development would add significantly to meeting a demonstrated need or shortfall for housing or business floor space, as identified in a Housing and Business Development Capacity Assessment or in council monitoring" (WRPS Appendix 13 – Responsive Planning Criteria A, A).
3. Section 42a of the report incorrectly states PC14 "will assist in the meeting shortfall in industrial land identified by the HBDCA for the sub-region as a whole in the medium term".
4. As I have addressed, there is no demonstrated need or shortfall of industrial land identified in the short or medium term.

### Regarding the NPS-HPL:

5. *"Tier 1 and 2 territorial authorities may allow urban rezoning of highly productive land only if: the urban rezoning is required to provide sufficient development capacity to meet demand for housing or business land to give effect to the National Policy Statement on Urban Development 2020"* (Clause 3.6 (1)(a)).
6. In the Section 42a Report (section 3.3 on the NPS-HPL), WDC comments that PC14 is not HPL, as the land is excluded from the transitional definition because it is 'identified for future development' in the Future Proof Strategy 2022.
7. For land to be identified for future development it must be:  
*"identified in a published Future Development Strategy as land suitable for commencing urban development over the next 10 years; or identified:*
  - (i) *in a strategic planning document as an area suitable for commencing urban development over the next 10 years; and*
  - (ii) *at a level of detail that makes the boundaries of the area identifiable in practice."*(Section 1.3 Interpretation, NPS-HPL 2022).
8. The NPS-HPL's Guide for implementation provides guidance as to what *"identified at a level of detail that makes the boundaries of the area identifiable in practice"* is. The guidance states that the strategic planning document *"must include mapping that is specific enough to identify the boundaries of the future urban area and know with certainty whether a particular land parcel is included or excluded"* (NPS-HPL Guide for implementation 2022).
12. Future Proof 2022 only identifies an indicative area for long-term development around the Hautapu area in Map 6, and states *"that definitive boundaries are to be determined through robust planning processes, including structure planning and district plans"* (p65 Future Proof 2022). This does not meet the second condition. I have provided Map 6 on page 5 of my speaking notes.
13. The NPS-HPL clause 3.5(7)(b), used by WDC to exclude the land from being HPL, also has an intent set out in the guidance. The intent of the clause *"is to ensure future urban development areas are only excluded from HPL (transitional definition and mapping) when there is a high level of certainty the land will be developed for urban use in the next 10 years."* (Guidance 2022)
14. It should be pointed out, that in 2022, the definitive boundaries of Growth Cell C10 (part of PC14) were shown clearly (at the parcel level) in the Waipa 2050 Growth Strategy and the operative WDC plan. These strategic planning documents both indicate that the C10 growth cell in Cambridge/Hautapu is anticipated for development beyond 2035, as a post 2035 growth cell. Post 2035 is not within the 10 year time frame, from 19 October 2022 when the NPS-HPL came into effect.
15. For these two reasons, a. the lack of specific mapping of the land, and b. C10 is a post 2035 growth cell in all other strategic documents in 2022, further consideration of the NPS-HPL is needed.

### Future Proof Growth Strategy, Map 6:

Map 6: Current and future urban areas



## **Conclusion**

To summarise, I approached PC14 with curiosity regarding the need to advance the C10 Post 2035 growth cell, since BDCA 2023 shows there is no anticipated insufficiency of industrial land in the short or medium term.

My submission focuses on the EA, which does not adequately justify the need for PC14. There is no robust assessment or evidence of increased demand. This conclusion is confirmed by the independent peer review from Market Economics (ME).

Out of sequence policy must be followed. Justification for advanced rezoning is important. It is not efficient or effective from an infrastructure-servicing point of view to provide services to an area well ahead of when demand is likely to occur, nor will the economic benefits outlined by PE and ME be fully realized. The risk of advancing development, without demonstrated demand, risks oversupply. The effects of this are not fully explored in the PC14 submission.

I respectfully request that my relief sought, as per my original submission and points raised the hearing today, be accepted.

Figure 6-2: Industrial Criteria, Weighting and FPP Area Scores, 2023

7A	2020 Spatial Frame	Access to major road / transport routes; good transport access, especially road/motorway	Flat land, large land parcel (minimum size?) contiguous site	Service infrastructure in place or proposed	Area has potential for co-location or clustering with associated business activities or is contiguous with existing business land zoned for industrial activities	Proximity to labour	Ability to buffer adverse effects from residential and sensitive activities, distance from sensitive land uses	Low level of traffic congestion in vicinity	Exposure / profile / visibility	Existing or proposed public transport	Access to complementary / supporting business services	Ability to Freehold Land	TOTAL Score (out of 115)	TOTAL (out of 100)
Hamilton	Te Rapa	19	9	12	14	10	20	2	9	4	5	10	114	92
Hamilton	Frankton	8	6	15	13	9	20	3	5	4	5	10	98	78
Hamilton	Ruakura	19	10	11	2	9	20	5	7	4	5	10	92	73
Hamilton	Charwell	12	5	15	4	10	5	4	5	4	5	10	79	63
Hamilton	Charwell	12	2	15	10	9	5	1	8	4	5	10	76	61
Hamilton	CBD	12	6	13	7	10	8	3	6	2	3	10	86	69
Hamilton	Other	13	6	13	9	10	8	4	9	2	3	10	89	71
Waikato	Huntly	18	8	8	8	4	20	5	6	3	3	10	89	71
Waikato	Ngatawahia	17	9	8	8	1	19	4	9	2	1	10	78	62
Waikato	Pokeno	18	5	10	4	3	15	4	5	3	2	10	49	39
Waikato	Tuakau	12	8	10	5	4	10	4	2	1	2	10	86	69
Waikato	Tuakau	5	3	6	3	2	15	4	2	1	2	10	58	46
Waikato	Raglan	6	4	8	4	2	15	4	6	2	3	10	77	62
Waikato	Te Kaurihara	12	6	9	8	2	15	4	5	2	4	10	91	72
Waikato	Rukuhia/Ngahinapouri/	15	6	14	10	6	15	3	5	2	4	10	84	67
Waikato	Ohapupu/Pirongia	12	6	14	10	6	15	3	5	2	4	10	84	67
Waikato	Cambridge/Karapiro	15	6	14	10	5	15	3	5	2	4	10	84	67
Waikato	Te Awamutu/Kihikihi	10	6	14	10	5	15	3	5	2	4	10	84	67
Waikato	Waipā	10	6	14	10	5	15	3	5	2	4	10	84	67