

**BEFORE THE HEARING PANEL ON PROPOSED PLAN CHANGE 17 TO THE WAIPĀ
DISTRICT PLAN**

IN THE MATTER of the Resource management Act 1991 (the Act)

AND

IN THE MATTER of proposed Plan Change 17 to the Waipā District Plan

Rebuttal Evidence of Tim Heath on behalf of the Hautapu Landowners' Group

Dated: 2 June 2023

INTRODUCTION

1. My name is Timothy James Heath. My qualifications and experience are outlined in paragraphs 1-4 of my primary statement dated 13 March 2023. For completeness I have also prepared a supplementary statement dated 26 May 2023.
2. I confirm this statement has been compiled in accordance with the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023 and that I agree to comply with it.
3. The purpose of this statement is to respond to the statement of Ms Katrina Andrews on behalf of Waikato Regional Council dated 26 May 2023, and more specifically paragraphs 35-50 where she discusses my primary statement in relation to the assessment of the National Policy Statement on Highly Productive Land 2022 (“**NPS-HPL**”) for Hautapu Landowners’ Group’s (“**HLG**”) proposed Deferred Industrial Zone.

Response to Katrina Andrews’ Evidence

4. The main issue raised by Ms Andrews appears that she is concerned the evidence in my statement only supports the identification of a long-term shortfall in industrial capacity and not a short-medium term shortfall based on applying the Ministry for the Environment NPS-HPL Implementation Guide.
5. Ms Andrew’s provides no additional information to better understand the short-medium term industrial land sufficiency issue in Cambridge and the wider Future Proof market. However, to assist the panel, subsequent to my primary statement being submitted, evidence from Mr David Totman for Waipā District Council¹ was lodged. He concludes “it is

¹ Mr David Totman, primary evidence, dated 25 May 2023

*apparent that the short term, medium term and long term supply of industrial land across the wider Hamilton sub-region is tight if not already insufficient*².

6. Mr Totman frequently refers to the economic evidence of Mr Colegrave of Insight Economics for Plan Change 20 (Airport Northern Precinct Extension to the Waipā Operative District Plan) dated 28 February 2023 that analysed the 2021 BCA³ in a Hamilton City context as a basis for his position. I note Ms Andrew’s appears to have not read, or considered Mr Colegrave’s statement as she makes no reference to it in her considerations.
7. The following table is an extract from 2021 BCA summarising the industrial land sufficiency findings for Hamilton City⁴. This is the same table in Mr Colegrave’s PC20 evidence, page 6.

Figure 7.21: Hamilton Industrial Land Sufficiency plus Margin (ha)

Name	Demand Growth + Margin (ha)			Estimated Land Availability (ha)			Sufficiency Measure		
	Short Term (+20%)	Medium Term (+20%)	Long Term (+15%)	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term
Te Rapa	51.4	177.0	328.7	99.3	99.3	278.0	Insufficient	Insufficient	Insufficient
Chartwell	0.5	1.7	4.8	-	-	-	Insufficient	Insufficient	Insufficient
Frankton	0.8	25.8	92.3	21.1	21.1	21.1	Insufficient	Insufficient	Insufficient
CBD	5.2	21.0	64.5	-	-	-	Insufficient	Insufficient	Insufficient
Ruakura	0.3	6.0	22.0	145.8	212.6	336.6			
Other	4.5	34.2	108.2	4.1	4.1	4.1	Insufficient	Insufficient	Insufficient
Total	62.7	265.8	620.6	270.3	337.0	639.7			

8. The outcome of the 2021 BCA makes it clear Hamilton City has a significant industrial land deficit across the short-, medium-, and long term. The 2021 BCA report further states *“demand apportioned to specific reporting areas could easily be met in other parts of the territorial authority or the wider sub-region”*⁵.

² David Totman primary statement, 25 May 2023, pg.11, paragraph 49

³ Business Development Capacity Assessment, June 2021, by Market Economics prepared for the Future Proof Partners

⁴ 2021 BCA, pg.91, figure 7.21.

⁵ 2021 BCA, pg.90, paragraph 1.

9. Mr Colegrave considers the 2021 BCA report significantly understates the extent of the determined industrial land supply deficits⁶. He concludes in his view *“the BCA is likely to significantly understate the additional industrial land required to serve the future demand and meet NPS-UD obligations”*⁷.
10. In paragraph 47 of his statement, Mr Colegrave is more forthright in the findings on the 2021 BCA by stating he categorically rejects the BCA’s assumption that 270.3 hectares of vacant land will be available for industrial development over the short term. In the same paragraph he concludes the BCA’s estimates of industrial land demand are woefully inadequate, particularly given the latest industrial employment data. Mr Colegrave’s employment finding in Hamilton parallels the findings in my primary statement on employment trends in Cambridge⁸.
11. Mr Colegrave also notes that Ruakura, the largest vacant industrial area in Hamilton, is fundamentally constrained over the short-term due to infrastructure deficits, which in his view explains why none of this land is currently on the market. The Te Rapa North industrial area, the second largest vacant industrial provision in Hamilton, is a deferred zone largely owned by Fonterra which he understands have no immediate plans for subdivision or market availability. If correct, and I have no reason to doubt Mr Colegrave’s findings, this would remove the vast majority of Hamilton’s identified vacant industrial land capacity assumed in the 2021 BCA. Mr Colegrave determines Hamilton has a short-term industrial land supply deficit of 87ha⁹.
12. With Hamilton having such a large quantified industrial land supply shortfall over the short-medium term, the Hautapu industrial area

⁶ F.Colegrave EIC PC20, pg. 7-8, paragraph 35 (a)-(g)

⁷ F.Colegrave EIC PC20, pg. 8, paragraph 36.

⁸ Heath EIC, paragraph 23-30

⁹ F.Colegrave EIC PC20, pg. 14, paragraph 61

provides an alternative industrial location in close proximity that will likely experience increased industrial demand (from Hamilton) as is already evident. This is '*additional to*' the industrial land supply shortfalls in Cambridge identified in my primary statement.

13. Industrial activity location is not directly related to a local area's demand. Industrial business location demand has a high degree of substitutability as industrial activities are more sensitive to land price and generally service markets beyond their immediate location, e.g., APL Hautapu services a market well beyond Cambridge. Sleepyhead Estate in Ōhinewai is designed to service all NZ and its international markets.
14. Ms Andrews in paragraph 44 of her statement states she is unclear how Mr Totman reached his conclusions. In my view Mr Totman evidence is very clear. He has relied on economic evidence provided by Mr Colegrave for PC20 which critiqued and updated the 2021 BCA on the Hamilton market specifically.
15. In my view, Mr Colegrave's economic analysis on Hamilton, in conjunction with my economic analysis on the Cambridge market, paints a very clear picture of economic evidence to support the HLG submission, whilst raising some significant concern around the reliability of data and findings of the 2021 BCA relied upon by Ms Andrews, and therefore its usefulness in assessing the HLG submission.
16. In my opinion there is a growing shortfall of available industrial land in the Cambridge / Hautapu area in the short to medium term. Indeed, that is the basis for PC17 itself. The fact that Waipa District Council is live zoning the Kama Trust land also supports that proposition. Therefore, I remain of the opinion that the proposal to re-zone the HLG land satisfies the relevant tests in the NPS-HPL.

Tim Heath

2 June 2023