

**BEFORE THE HEARING PANEL**

**IN THE MATTER** of the Resource Management Act 1991

**AND**

**IN THE MATTER** of Proposed Plan Change 17 to the Operative Waipā  
District Plan

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**STATEMENT OF EVIDENCE OF David Totman**

**Dated 25 May 2023**

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## **INTRODUCTION**

1. My full name David Julian Totman. I am Principal Policy Advisor, Strategy at Waipā District Council.
2. My qualifications and experience are set out in Appendix 1.
3. My role is providing strategic policy advice to Council. Included is advising elected members on Future Proof matters and implications for the Council.

## **CODE OF CONDUCT**

4. I have read the Environment Court Code of Conduct for expert witnesses contained in the Environment Court Practice Note 2014 and agree to comply with it. I confirm that the opinions expressed in this statement are within my area of expertise except where I state that I have relied on the evidence of other persons. I have not omitted to consider materials or facts known to me that might alter or detract from the opinions I have expressed.

## **SCOPE OF EVIDENCE**

5. In my evidence I address:  
A high level summary of industrial land supply for the district and provide a concise review of the findings of the most recent 2021 Future Business Development Capacity Assessment. I also refer to the more recent commentary by economist Fraser Colgrave in his statement of evidence for Plan Change 20 and the proposed extension of the Northern Precinct at Hamilton Airport.

6. In accordance with the Panel directions, I do not intend to traverse points raised in submissions, and leave this and technical planning commentary on the proposed changes to other experts, for the substantive hearing on 14 June 2023.

#### **EXECUTIVE SUMMARY**

7. This statement of evidence reviews a few existing relevant documents to provide contextual information regarding the planned provision for industrial land supply across the wider Future Proof sub-region as well as with regards to Waipā and Cambridge.
8. The 2022 update to the Future Proof Strategy emphasises the need for sufficient land to be provided for industrial development as a key component of growing the sub-regional economy.
9. The Waipā 2050 Growth Strategy was last updated in 2017 (Plan Change 5) when the long term adequacy of land capacity for residential development as well as commercial and industrial development was reviewed.
10. At that time the addition of two growth cells C9 and C10 for long term future industrial development were confirmed in the Hautapu area adjacent to Cambridge. These two growth cells provided an additional 217 hectares of deferred zone long term capacity to the 36 hectares of zoned capacity provided in the C8 growth cell.
11. In the case of Te Awamutu and Kihikihi no additional growth cells were added to the existing 37 hectares of capacity at Bond Road and Paterangi Road.
12. The Waipā 2050 Growth Strategy identified a third industrial node around Hamilton airport. Here a capacity of 152 hectares was provided with an

indication that the northern precinct could be expanded at a future date in response to demand.

13. The 2020 National Policy Statement on Urban Development (NPS-UD) requires all tier 1 local authorities which includes the Future Proof partner councils and Waipā, to ensure there is sufficient development capacity (land supply) to meet demand for industrial development.
14. This requirement of the NPS-UD is repeated in the 2022 updated Future Proof Strategy which states that the provision of sufficient land for industrial development is a key aspect of the growing the economy of the sub-region.
15. The most recent Housing and Business Development Capacity Assessment<sup>1</sup> for the Future Proof sub-region was carried out in 2021. While there is a new assessment soon to be concluded, the 2021 assessment provides the most recent sub-regional benchmark of industrial land demand and supply.
16. The findings of the 2021 Business Development Capacity Assessment were that that while there was sufficient industrial land supply capacity across the Waipā district during the short term, medium term and long term, there was not much leeway between anticipated long term industrial land supply and demand in the Cambridge area.
17. When the competitive margin of 15% additional supply was taken into consideration, the land supply situation flipped into industrial floorspace insufficiency in both the Cambridge and Te Awamutu areas.
18. The 2021 Business Development Capacity Assessment indicates that there is an element of trans-location in industrial demand and supply across the

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<sup>1</sup>Three yearly development capacity assessments are required by the 2020 National Policy Statement on Urban Development.

key industrial nodes around Hamilton. Insufficiencies in one area may be balanced by supply capacity in another area.

19. Bearing this aspect in mind, it is noted that the 2021 Business Development Capacity Assessment finds there to be widespread insufficiencies of industrial floorspace capacity across many of the Hamilton industrial nodes during the short term, medium term and long term.
20. Lastly, the statement of evidence of economist Fraser Colgrave for Plan Change 20 and the proposed extension of the northern precinct at Hamilton Airport is looked at. Fraser Colgrave concludes that in his view, the 2021 Business Development Capacity Assessment understates the demand for industrial development capacity across the Hamilton sub-region.
21. He says that due to sustained growth in industrial activity and employment in the subregion, particularly in the last couple of years, that there is already a current shortage of industrial land supply in the Hamilton subregion and additional capacity was required.

### **Industrial Land Supply and Demand in the Future Proof Sub-region**

#### **The Future Proof Strategy and Industrial Land**

22. Future Proof is a joint project set up to consider how the Hamilton, Waipā and Waikato sub-region should develop into the future. In June 2022 an updated strategy was adopted by the Future Proof Implementation Committee.
23. In chapter 8 (Growing a Prosperous Economy) of the 2022 updated Future Proof Strategy, the background section states that *'The provision of sufficient land for industrial uses is a key aspect of growth management and growing the economy of the Future Proof sub-region.'*

24. Further on, the Future Proof Strategy states that *'Identifying industrial land well in advance of development is important to enable reliable forward planning for infrastructure development and delivery.'*

#### **Waipā 2050 Growth Strategy and the provision for Industrial development**

25. Waipā District Council prepared its initial Waipā 2050 Growth Strategy in 2009. This growth strategy provided a strategic and spatial framework for managing land use development to accommodate projected population growth in Waipā over the next 50 years. This growth strategy was reviewed and updated in 2017-2018 and finalised in 2019 in Plan Change 5 to the Waipā Operative District Plan.
26. At that time, and due to the anticipated and planned for population growth of Cambridge, the addition of the industrial growth cell C9 and C10 were confirmed as deferred zone areas for providing a flexible and sufficient long term capacity of a total of 217 hectares for Cambridge's requirements. The existing C8 growth cell of 36 hectares was seen as sufficient to meet the town's short term requirements.
27. No additional development capacity was added at Te Awamutu as the Bond Road and Paterangi Road growth cells with a total capacity of 37 hectares was considered to provide sufficient capacity to service the town's long term demands for industrial development capacity.
28. In the third Waipā industrial node around Hamilton airport, capacity of 152 hectares was provided with an indication that the northern precinct could be expanded at a future date in response to demand.
29. The growth strategy didn't anticipate any further industrial development capacity would be required to what was provided for.

### **Role of Hautapu in the Future Proof Strategy**

30. Hautapu is identified in the 2022 updated Future Proof Strategy as one of six strategic locations for industrial development across the Future Proof sub-region.

### **The National Policy Statement on Urban Development 2020 and the requirement to provide a sufficiency of business development capacity**

31. The National Policy Statement on Urban Development 2020 (NPS-UD) provides planning direction to councils under the RMA. One of the requirements of the NPS-UD detailed in Policy 2 is that all tier 1 local authorities, which includes the Future Proof partner councils Hamilton City, Waikato District Council and Waipā District Council, must provide sufficient development capacity to meet expected demand for housing and business land (commercial, retail and industrial) over the short term, medium term, and long term.
32. To help ensure that sufficient development capacity is provided, every 3 years each tier 1 local authority must complete a Housing and Business Capacity Assessment (HBA) for their urban environments.
33. The purpose of these HBA assessments is to provide publicly available information on the demand and supply of housing and business land and assess whether there is sufficient development capacity to meet demand in the short term, medium term and long term.
34. For the Future Proof sub-region, the most recent Housing and Business Development Capacity was completed in 2021.

**Future Proof Business Development Capacity Assessment 2021 findings** The 2021 Business Development Capacity Assessment (BDCA) report found that while the amount of land capacity provided for industrial development across the Waipā district exceeded anticipated demand over the long term

(231ha provided compared with 108ha demanded) there were variations across the district.

35. The report concluded that in the Cambridge-Karapiro area the difference between land supply and demand was slim in the long term.
36. When the long term 15% competitive margin of additional supply required by the NPS-UD is added, the 2021 Business Development Capacity Assessment report found that Cambridge Karapiro area had an anticipated insufficient supply of industrial floor space capacity in the long term. See copy of Figure 7.36 from the Assessment report below.

Figure 7.36: Waipā District Industrial Floorspace Sufficiency plus Margin (sqm GFA)

Name	Demand Growth + Margin (sqm)			Total Vacant GFA (sqm)	Sufficiency Measure		
	Short Term (+20%)	Medium Term (+20%)	Long Term (+15%)		Short Term	Medium Term	Long Term
Cambridge-Karapiro	27,636	80,913	249,730	203,920			Insufficient
Te Awamutu-Kihikihi	12,279	51,431	170,519	166,567			Insufficient
Rukuhia-Ngahinapouri-Ohaupo-Pirongia	2,993	22,035	81,567	386,396			
Rest of Waipa	1,730	7,014	22,126	114,931			
<b>Total</b>	<b>44,637</b>	<b>161,393</b>	<b>523,942</b>	<b>871,814</b>			

37. As will be seen in Figure 7.36 above, there is also an anticipated long term insufficiency in Te Awamutu – Kihikihi.
38. When considering the wider Hamilton sub-region, the 2021 Business Development Capacity Assessment report found a widespread insufficiency of industrial land capacity across all the various industrial nodes around Hamilton City apart from Ruakura which offers land on a leasehold basis only. See copy of Figure 7.30 below.

Figure 7.30: Hamilton Industrial Floorspace Sufficiency plus Margin (sqm GFA)

Name	Demand Growth + Margin (sqm)			Estimated GFA Availability (sqm)			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	210,551	726,721	1,351,448	620,473	620,473	2,050,237		Insufficient	
Chartwell	2,123	7,353	19,958	-	-	-	Insufficient	Insufficient	Insufficient
Frankton	3,028	107,060	382,933	131,864	131,864	131,864			Insufficient
CBD	21,353	87,596	269,073	-	-	-	Insufficient	Insufficient	Insufficient
Ruakura	1,599	25,357	92,469	562,869	818,447	1,293,383			
Other	19,591	144,200	453,679	25,421	25,421	25,421		Insufficient	Insufficient
<b>Total</b>	<b>258,245</b>	<b>1,098,287</b>	<b>2,569,562</b>	<b>1,340,626</b>	<b>1,596,205</b>	<b>3,500,905</b>			

39. This insufficiency in development capacity was found to span all time periods from short to long term.



40. As the findings report notes on page 90:

*'It makes sense to look at demand and capacity as somewhat trans-locational and see the sub-region as a reasonably well-connected network of nodes. In most cases, areas where there are insufficiencies will have adjacent areas with ample capacity, which are easy to access, or make sense from a co-location point of view'*

41. In other words, Hautapu is likely to be considered a possible area of alternative industrial land supply where businesses are not able to find suitable land elsewhere in the wider Hamilton sub-region.

**Statement of Evidence of Fraser James Colgrave for Proposed Plan Change 20  
– Airport Northern Precinct Extension to the Operative Waipā District  
Plan**

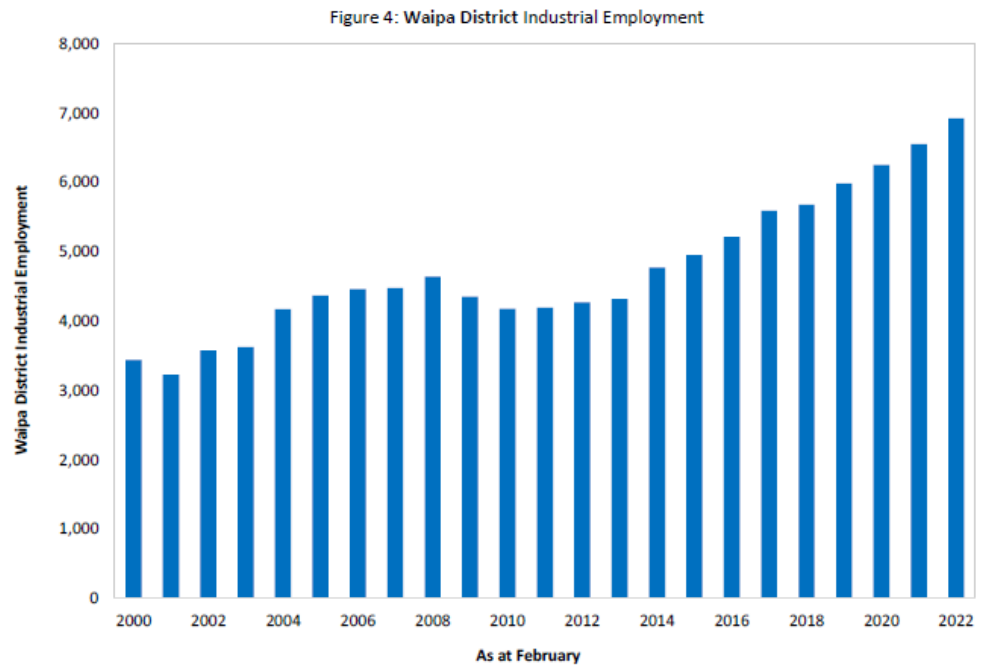
42. In paragraph 35 of his evidence for Plan Change 20, Fraser Colgrave notes that while he strongly supports and endorses the findings of the Future Proof Business Capacity Assessment Report 2021, he considers the report to significantly understate the extent of the shortfall in capacity across the Hamilton area and wider Future Proof sub-region.

43. Fraser Colgrave bases his conclusion on a number of factors that he discusses further in his evidence. These factors include the following:

- The information underpinning the 2021 Business Capacity Assessment findings is out of date and that much has changed from an economic viewpoint that indicate that industrial land demand across the sub-region has been higher than the estimates used in the 2021 capacity assessment.
- Not all land supply should be considered equal. Requirements vary for different businesses. Some businesses require large sites or have specific access needs.
- Not all land supply is available to the market due to landowner intentions, infrastructure constraints, site shape, contamination or topography.

44. In paragraph 38 of his evidence, Fraser Colgrave says there has been an *'unparalleled surge'* in industrial activity around Hamilton since the pandemic with industrial employment in Hamilton City reaching a total of 26,900 workers in February 2022 which was four years earlier than had been projected in his original economic report for Plan Change 20.
45. He notes that there has been a sustained growth in industrial employment since 2014 and that this growth has been experienced in Hamilton and Waipā. See figures 3 and 4 below which are copied from Fraser Cotgrave's statement of evidence.





46. In paragraph 47 of his statement of evidence, Fraser Colgrave finds the estimate by the Future Proof Business Capacity Assessment 2021 of there being 270.3 hectares of vacant land available in Hamilton in the short term an overstatement. According to his analysis, Fraser Colgrave estimates that the actual current market supply of land to be only 11.9 hectares.
47. By comparing the Business Development Capacity Assessment 2021 projected three yearly employment growth with actual figures over the two years since the 2021 assessment, Fraser Colgrave finds in paragraph 51 of evidence, that growth in employment has exceeded projections by a total of 33%. He concludes that using the same methodology as used in the 2021 capacity assessment there is a short term estimated demand of 137 hectares including a short term competitive margin of 20%.
48. In paragraph 61 of his evidence Fraser Colgrave estimates the short term industrial land supply to conservatively be 50 hectares. The difference between supply and demand meant there was a shortfall of an estimated 87 hectares of land.

**Conclusion**

49. From the information available and particularly the findings of the 2021 Future Proof Business Development Capacity Assessment and the more recent findings of the economist Fraser Colgrave in his statement of evidence for the Plan Change 20 to the Operative Waipā District Plan, it is 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.
  
50. The next 2023 Future Proof Residential and Business Development Capacity Assessment is imminent and expectantly awaited to provide fresh evidence and confirm this view.

David Totman

25/5/2023

**Appendix 1: Qualifications and Experience**

I have:

- A Bachelor of Social Science and a Masters in Town and Regional Planning from the University of Natal Durban.
- 30 years' work experience in planning and 15 years of work with the RMA.
- Completed the Making Good Decisions course
- Been a part time planning lecturer at the University of Waikato.
- Prepared and managed a number of plan changes, hearings and the writing and presenting of statements of evidence.