

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of a submission in respect of the **PROPOSED WAIKATO DISTRICT PLAN** by **AMBURY PROPERTIES LIMITED** pursuant to Clause 6 of Schedule 1 of the Act seeking the rezoning of land at Ohinewai

SUMMARY STATEMENT OF LYNN CRAIG TURNER

1. My name is Lynn Craig Turner. I am a director of New Zealand Comfort Group Ltd ("TCG") which I own with my brother, Graeme, and other family interests. I prepared a statement of evidence dated 9 July 2020 and a rebuttal statement dated 24 August 2020.

The Comfort Group

2. The business that became TCG was started in 1935 and has grown to become Australasia's largest bedding and foam manufacturer, with around 1,000 staff at seven manufacturing facilities in Australia and New Zealand.
3. TCG's culture has a strong focus on staff wellbeing. A number of TCG's employees have been with the company for over 40 years and we have a number of families who have worked for TCG for several generations. That sense of social responsibility and loyalty to our workforce is one of the reasons why TCG is committed to finding a way to assist its employees into home ownership. One of our key objectives for Ohinewai is to ensure the houses are at a reasonable cost relative to our workers' experience in Auckland.

The need to relocate

4. Our manufacturing facilities at Avondale and Otahuhu are operating beyond capacity, suffer from significant site restrictions, inefficiently rely on road transport to move raw materials and finished products between sites, and are generally considered to have passed their "use by" date and are no longer suitable. Staff availability is also a major constraint.
5. It is difficult and expensive to continually keep old sites up to standard. Building "from scratch" will enable us to adopt improved technology and processes we currently cannot install at the existing sites, resulting in efficiency improvements and significant environmental benefits.

Our vision

6. The concept of The Sleepyhead Estate, and the philosophy underpinning the entire proposal, is for a large industrial development that makes provision

for an industrial "community" where one can eat, sleep, live, work and play in one place. In that way, a true community can be built which will encourage families to belong to something.

7. To me, this project helps to address the desperate need for growth in the area, coupled with a new way of embracing growth that that encompasses, and addresses the massively growing unemployment of our youth. This is the first step in showing other New Zealand businesses that we need to change our approach to industry and make this more than just providing jobs. If this is done properly, it will promote a way of life that sees our youth above all else have hope.
8. We have attendance at school of 57% average across the country with areas such as Northern Waikato even less than that. One reason is an almost total lack of vocational training in schools. We aim to address that to form an amazing opportunity in which everybody wins. Get the young people early, keep them off the streets, give them employment, training and a future.
9. New Zealand has to start somewhere. An industrial community is a great start to a new future for youth. This is common in Germany. And it is not just the youth who have an issue. The mid-Waikato area is full of very capable people who want to work as we have shown in our trial up to Otahuhu.
10. The position adopted by the Waikato Regional Council, New Zealand Transport Agency and Future Proof reflects a failure to understand not only the economic benefits of this proposal but the social and cultural benefits as well. It is short-sighted and very disappointing.
11. For example, the suggestion made by Mr Tremaine of Future Proof that the residential component should be removed reflects a failure to grasp the philosophy behind the proposal and would completely undermine TCG's vision, and position that a business needs to take responsibility for its people. The residential component is critical to the proposal, as it will provide workers with the ability to buy into housing they can actually afford to buy and be part of a community.
12. A major driver for the Sleepyhead Estate, is TCG's strong sense of social responsibility for their people and loyalty to their workforce, and it is this philosophy that underpins TCG's commitment to seeing the residential component of the proposal through to fruition. It is critical to TCG that alongside the new industrial and commercial components, they can offer a supply of affordable housing to their employees.
13. A further relevant aspect of the residential component is TCG's ability to attract existing staff to Ohinewai; we consider that provision of housing is a critical element in achieving this, alongside the prospect of community. This is particularly important given staff availability and retention is the single biggest issue facing New Zealand businesses.
14. TCG is also focused on education, in line with the concern around school attendance levels dropping. TCG proposes an innovative approach that will include vocational training in the earlier years of school, as well as other educational opportunities.
15. The Ohinewai site presents a unique opportunity for TCG to consolidate its operations and ultimately expand them, and to bring an existing, proven, and thriving industry to the district, along with the immediate and future associated job opportunities.

16. We are aware that there are significant sums to be expended on infrastructure to enable the Sleepyhead Estate concept to be delivered. TCG is committed to bearing our fair share of these costs.
17. We want to create a legacy that will continue to add long term value not only to TCG but to the part of Waikato District that we have chosen to make TCG's corporate home after nine decades in Auckland. It is our view that business needs to take responsibility for its people. The provision of housing and services alongside jobs is fundamentally important; otherwise Ohinewai would just become another industrial area.
18. We recognise that the development is ambitious and challenging but with our top flight expert team and strong support from the Waikato District Council we are confident that a project capable of generating over \$100M / year in an area that is clearly under pressure from a socio-economic perspective is both commercially viable and beneficial for the community.
19. In that regard, I refer to a Reserve Bank of New Zealand document in relation to employment (and unemployment) produced in July this year which identifies Auckland and the Waikato generating the largest spillover areas for employment in the country. One of the key findings was:

" Auckland and Waikato generate the largest regional spillovers, meaning jobs created or destroyed here have the largest impact on the rest of the country".

20. What this says to me is that this project will not only help the Waikato region but from this paper we can see that the project will have a wider national positive effect on employment.
21. A further comment by the RBNZ said:

"A recent study of German Labour markets¹ estimates regional and occupational spillovers in German Labour markets using matching functions, with the use of novel German microdata. They found that regional spillovers were positive and significant. Such a methodology may be possible in the future in New Zealand."

Our commitment

22. We are fully committed to proceeding with this development if our rezoning submission is approved. The level of expenditure is very significant, and the economists agree that it would provide 2,600 jobs for the area.
23. Although The Sleepyhead Estate was not provided for or anticipated in the long-term planning documents, it represents a major opportunity to create much needed jobs and prosperity in the area in a manner that encourages community at its core by combining industrial, commercial and residential components all in one development.
24. To conclude, Sleepyhead Estate represents a massive, one-off opportunity, the like of which does not come along very often. Particularly in the current economic climate, such opportunities are all the more important.

Craig Turner, 9 September 2020

¹ Fedorets, Lottmann and Stops (2019).