

IN THE MATTER of the Resource Management Act 1991 (“RMA” or “the Act”)

AND

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

SUMMARY STATEMENT OF PHIL OSBORNE IN RESPECT OF ECONOMIC ISSUES IN PREPARATION FOR EXPERT CONFERENCING

1. INTRODUCTION

- 1.1 My name is Philip Osborne. I am an economic analyst for Property Economics Limited. I have, alongside Tim Heath from my firm, been advising Ambury Properties Limited (“APL”) in relation to economic issues relevant to its submission seeking the rezoning of land at Ohinewai.
- 1.2 Tim and I have both prepared economic assessments in relation to the Ohinewai proposal. My focus has been on the potential economic impacts, in terms of activity (GDP and employment), that are likely to result from the Proposal on the Waikato Regional economy.
- 1.3 I will be presenting expert evidence at the hearing of the Ohinewai submissions. That evidence is due in July 2020. In the meantime, this statement has been provided in preparation for expert conferencing in relation to economic issues that has been scheduled for 15th June 2020, in compliance with the direction from the Hearing Panel that APL experts are to provide a summary of our position on the relevant topics that are to be the subject of expert conferencing.

Key relevant planning matters

1.4 The key planning matters relevant to this statement relate to whether any potential adverse economic effects of the implementation of the Ohinewai Structure Plan:

- (a) Are sufficiently contrary to the Waikato RPS as to be declined;
- (b) Are so adverse that the Residential and Business zones proposed do not represent the "most appropriate" planning outcome.

Scope of statement

1.5 As a basis for expert conferencing, this statement will:

- (a) Identify what I see as being the key issues for determination in relation to the economic significance of the proposal;
- (b) Set out my expert opinion on that issue and the reasons for my views; and
- (c) Set out my core conclusions.

Expert Witness Code of Conduct

1.6 I have read the Code of Conduct for Expert Witnesses, contained in the Environment Court Consolidated Practice Note (2014) and I agree to comply with it. I can confirm that the issues addressed in this statement are within my area of expertise and that in preparing my statement I have not omitted to consider material facts known to me that might alter or detract from the opinions expressed.

2. KEY ISSUES RELEVANT TO THE ECONOMIC EFFECTS OF THE PROPOSED REZONING AND MY OPINION ON THESE ISSUES

2.1 We have worked with Mr Olliver and others to identify the key issues that need to be determined in relation to economic effects. The purpose of this section is to set out the issue and then my expert opinion in relation to that issue, and the reasons for my opinion.

Economic input

Issue

Is the proposed development simply redistributing expected economic growth?

My opinion and reasons

2.2 In my view, there are several factors that are important to consider in addressing this issue, including the following:

- a) The proposed site offers a unique location for The Comfort Group (TCG) which meets their need for accessibility and quantum of space, while providing an opportunity for the provision of housing for their workforce. The site also offers the opportunity for expansion and operational efficiencies that are not possible on TCG's current sites in Auckland.
- b) While the retention of this operation within New Zealand is of national importance, its relocation sub-nationally to the Waikato provides for a significant economic benefit to the Region.
- c) The proposal represents growth unforeseen for a localised area that has recently seen a fall in employment activity

2.3 Given the unique nature of TCG's site requirements, no alternative site location in the District (or in greater Auckland) is possible.

2.4 It is the unique nature of the demand that would suggest the proposal will have limited consequential impacts on the Region's strategic industrial nodes. It is new economic activity to the region, not just a redistribution.

2.5 The proposal is likely to result in a range of benefits for the local and Regional economies including:

- a) Increased employment opportunities and local retention, with thousands of jobs per annum accommodated on site;
- b) Improved local efficiencies and productivity; and
- c) Increased housing demand, supply, and choice.

2.6 Finally, the resulting economic injection into the Regional economy is likely to be significant, contributing hundreds of millions of dollars per annum in development and operational activity.

Economic effect of Covid-19 Pandemic

Issue

What significance do the likely effects of the pandemic have in terms of the response above?

My opinion and reasons

- 2.7 While the post-Covid economic environment has yet to fully reveal itself, there are certain realities that can be expected over the following years. The key change resulting from this pandemic is uncertainty. This, in itself, is one of the most influential issues relating to economic growth. Uncertainty regarding the future of the economy is likely to result in subdued appetite for risk with businesses primarily focussed on managing risk.
- 2.8 The potential outcome of this is subdued economic activity and lower growth over the short to medium term. Ultimately the benefits attributable to the proposed development are likely to hold a much more significant role in the Waikato Regional economy in this environment.

3. CONCLUSION

- 3.1 TCG's development represents an opportunity for both the Regional and local economies providing for:
- a) Improved competitiveness;
 - b) Increased job opportunities and retention;
 - c) Increased housing choice; and
 - d) Significant contribution to Regional economic activity.

Phil Osborne

2 June 2020